

Samart Corporation Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Samart Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Samart Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart Corporation Public Company Limited and its subsidiaries and of Samart Corporation Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to the following notes to the consolidated financial statements:

1. Significant litigations and commercial disputes
 - a) As described in Note 43.6 a) to the consolidated financial statements regarding an ongoing dispute relating to the Company's provision of financial support and installation of a telecommunication network system for an organisation, in December 2019, an arbitral tribunal rendered its decision and ordered the Company to provide financial support and the installation of a telecommunication network system for the organisation amounting to Baht 190 million plus interest at the rate of 15 percent per annum until the date the dispute was submitted, (totaling Baht 332 million), with an interest of 15 percent per annum on the outstanding amount until the full payments is made. Later in 2020, a law firm assigned by the Company submitted a petition asking the Civil Court to revoke the arbitral award. However, in December 2021, the organisation filed a petition to the Court, demanding that the arbitral award be enforced. Subsequently, in September 2022, the Civil Court issued an order dismissing the Company's petition to revoke the arbitral award. Currently, the Company is filing an appeal against the order of the Civil Court with the Supreme Court. In the light of this, as at 31 December 2023, the Company has set aside a provision in its books of account for accounting conservatism purposes. This however does not mean that the Company is waiving its legal rights in the pursuit of justice. The Company is confident in its legal standing and intends to fight for a just resolution until the end.
 - b) Note 43.6 b) to the consolidated financial statements. The Company and two private limited companies together, as SPS Consortium ("SPS"), entered into an agreement with a state enterprise to perform waste management in the area of Suvarnabhumi Airport. Subsequently, a dispute arose with respect to SPS's non-compliance with the conditions in this agreement. SPS therefore filed a lawsuit against the state enterprise with the Central Administrative Court in November 2016 to demand a full payment for the services that has been performed of Baht 194 million plus interest thereon (totaling Baht 238 million). In 2017, the state enterprise submitted testimony and filed a countersuit with the Central Administrative Court, claiming damages and fines totaling Baht 1,038 million from SPS related to the non-compliance. Later in 2021, the state enterprise requested a bank to make payment in accordance with its obligations under letters of guarantee between SPS and the state enterprise. The bank made payment in accordance with its obligations and the Company recorded this payment as damage paid in accordance with the agreement, in the Company's work proportion. The Company believes that this is adequate in the current circumstances. The Company's management and legal advisor believe that the Company will not incur significant losses as a result of the dispute. Therefore, as at 31 December 2023, the Company has not set aside any additional provision in its accounts.

- c) Note 43.6 c) to the consolidated financial statements regarding a dispute of I-Mobile Plus Co., Ltd., a subsidiary company, relating to breach of contract with respect to 3G mobile network service trial project with an organisation. In October 2018, a subsidiary filed a plaint claiming compensation from such organisation with the Civil Court amounting to Baht 1,941 million (including interest thereon). On 9 March 2023, the Court of First Instance issued a judgment ordering such organisation to pay the subsidiary Baht 748 million in compensation, plus interest from the date of filing until the debt is fully paid. On 5 September 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal. However, in 2020 such organisation filed a suit against Samart Digital Public Company Limited and the subsidiary (Samart Digital Group) with the Central Administrative Court demanding payments of fees and interest thereon amounting to Baht 212 million (including interest thereon). Later on 14 December 2023, the Civil of First Instance issued an order that Samart Digital Group collectively pay Baht 137 million to such organisation, along with an annual interest, starting from 20 December 2017, until the complete settlement. As of 31 December 2023, Samart Digital Group has fully recorded the liability (under provision and other payable). However, on 9 February 2024, Samart Digital Group sought an extension for the appeal period, which the court granted, extending the appeal deadline until 14 March 2024. According to the opinion of the Samart Digital Group's legal advisor and management still believes that the adverse impact arising from this dispute will not be significant.
- d) Note 43.6 d) to the consolidated financial statements, Samart Telcoms Public Company Limited, a subsidiary company, and two private limited companies together, as STSL Consortium ("the Consortium"), entered into an agreement with a state enterprise for the procurement and installation of an information system and the development of the Core Business Process System (CBPS). Subsequently, the Consortium faced disputes regarding the inability to deliver work under the agreement as per the agreed terms. Consequently, their agreement was terminated leading to the seizure of the collateral. In response, the Consortium filed a lawsuit against the state enterprise in December 2021, seeking payment for all work completed, damages, and the return of the seized collateral totaling Baht 856 million, inclusive of interest (totaling Baht 875 million). During the current year, the state enterprise counter-sued in the Civil Court, claiming compensation amounting to Baht 700 million due to the disputes concerning the inability to deliver the work as per the contract terms including interest at a rate of 5 percent per annum from the date of the counterclaim until the full is settled. The subsidiary company recorded the seized collateral as damages of Baht 20 million in its accounts. The subsidiary company believes that this

amount is sufficient to address the current situation. According to the subsidiary's management and legal advisor still believe that the Consortium will not incur significant impact as a result of the dispute. Therefore, as of 31 December 2023, the subsidiary company has not made any further provisions for additional contingent liabilities related to this case.

However, the above 4 lawsuits and commercial disputes have not yet been finalised and their outcome depend on future legal proceedings.

2. The inability to maintain certain financial ratios or conditions in the loan agreement with the financial institution of the subsidiary.

As mentioned in Note 26 to the consolidated financial statements, a subsidiary company has had operating losses for a number of consecutive years and as at 31 December 2023, the subsidiary company was unable to maintain certain financial ratios and shareholding percentage as stipulated in the loan agreements with the financial institutions. Therefore, the loans of Baht 1,951 million (representing 15% of the Group's total liabilities) may be payable on demand. However, the subsidiary company is now negotiating for waivers and expects to receive waivers from the financial institutions. In addition, the Company continues to provide support and issued a letter of intent committing to continue providing financial support to the above subsidiary.

My opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition and estimation of provision for the delay penalties and possible losses from long-term contracts

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provision for the delay penalties and provision for loss on projects under long-term contracts in Notes 4.1, 5.1 and 32 to the consolidated financial statements. I identified revenue recognition and estimation of provision for the delay penalties and possible losses from long-term contracts to be areas of significant risk in the audit. This is because the amount of revenue recognises from such long-term contracts in each period forms a significant portion, representing 57% of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimation of provision for the delay penalties and possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are risks with respect to amount and timing of the recognition of revenue, provision for the delay penalties, and provisions for possible losses from long-term contracts, therefore I focused on the revenue recognition under long-term contracts.

I assessed and tested the internal controls put in place by the Group over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under long-term contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

In addition, I also selected long-term contracts made with major customers and randomly selected to read the contracts to consider the conditions relating to revenue recognition and made enquiries as to whether any side contracts were made directly with customers. I inquired with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of the delay penalties and possible loss. I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person. On a sampling basis, I examined relevant documents, considered the rationale for budget revisions, compared past estimates with actual project costs to assess the project management's competency in estimating project costs, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred. I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component. I compared the percentage of completion or actual project progress

with the timeframe specified in contracts. I inquired with the management and legal counsels of the Group relating to dispute of the projects delay as described in Note 32.6 to the consolidated financial statements, reviewed the Group's legal opinions and the related supporting documents of work delivery and acceptance and the request for deadline extension that were used to support the estimation of the provisions for assessing the judgement exercised by the management in evaluating the probability of projects delay or estimate possible losses. I also examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities. Moreover, I reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

Compliance with loan covenants of a subsidiary

As disclosed in Note 26 to the financial statements, as at 31 December 2023 Samart Digital Public Company Limited, a subsidiary company has long term loans amounting to Baht 1,951 million. Under the loan agreements, the subsidiary has to comply with certain conditions including maintaining financial ratios as stipulated in the agreements. As the long-term loan has significant balances in the financial statements (accounting for 15% of total liabilities in the consolidated financial statements), there is a risk that the subsidiary could not comply with the certain conditions or maintain financial ratios in accordance with the loan covenants. This could result in the loan becoming payable on demand and reclassification from non-current liabilities to current liabilities and also the going concern of the subsidiary company.

I have checked the condition and loan covenants as stipulated in the agreements and tested the correctness of the calculation of financial ratios whether they were complied with the loan covenants. I have inquired with the management regarding the process for tracking the condition and loan covenants as well as the process of the waiver in case of breaching the loan covenants. In addition, I have reviewed the appropriateness of the classification of loans and assessed the adequacy of information disclosed in notes to the financial statements with respect to the compliance with the loan covenants, as well as the appropriateness of the going concern basis used in preparing the financial statements of the subsidiary company.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards (if any).

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 22 February 2024

Samart Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets					
Current assets					
Cash and cash equivalents	7	2,455,311,365	1,636,079,876	519,307,048	151,551,508
Trade and other receivables	8	3,005,620,384	2,468,905,871	1,012,356,203	752,982,474
Accrued income		3,183,376,854	2,812,337,048	100,619,870	105,087,273
Current portion of finance lease receivables	10	126,413,186	102,008,191	-	-
Short-term loans	11	20,849,919	10,037,337	188,341,566	373,262,191
Inventories	12	533,665,505	614,737,392	-	-
Other current financial assets	13	3,200,133	33,606,149	1,487,663	1,710,041
Other current assets	14	1,357,213,917	1,806,065,270	54,082,457	125,156,064
Total current assets		10,685,651,263	9,483,777,134	1,876,194,807	1,509,749,551
Non-current assets					
Restricted bank deposits	7, 15	103,099,781	343,100,789	-	-
Other non-current financial assets	13	32,593,883	93,767,660	12,724,843	11,928,596
Other long-term receivables - net of current portion	9	-	119,619,259	-	119,619,259
Finance lease receivables - net of current portion	10	344,503,867	450,587,025	-	-
Investments in subsidiaries	16	-	-	3,913,787,396	4,688,244,479
Long-term loan to subsidiary company	6	-	-	-	319,237,661
Investment properties	17	84,636,000	84,636,000	79,192,745	90,649,195
Property, plant and equipment	18	5,450,747,366	6,263,064,960	1,694,948,411	1,899,920,214
Right-of-use assets	19	223,484,896	352,242,276	55,408,700	72,504,261
Goodwill	20	236,711,640	236,711,640	-	-
Intangible assets	21	1,188,281,856	1,049,575,011	17,764,766	23,631,517
Deferred tax assets	38	311,511,595	328,794,656	-	-
Other non-current assets					
Deposits		314,200	54,601,399	-	-
Others		447,321,924	475,373,389	26,404,173	50,703,681
Total other non-current assets		447,636,124	529,974,788	26,404,173	50,703,681
Total non-current assets		8,423,207,008	9,852,074,064	5,800,231,034	7,276,438,863
Total assets		19,108,858,271	19,335,851,198	7,676,425,841	8,786,188,414

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	22	2,406,036,617	3,140,677,745	548,667,498	1,184,400,000
Trade and other payables	23	1,886,246,605	2,062,399,844	357,740,466	534,268,918
Short-term loans	24	10,378,560	12,707,950	587,545,049	942,325,580
Current portion of long-term loans from financial institutions	26	2,260,833,601	3,495,193,456	219,015,937	479,641,642
Current portion of lease liabilities	19	63,099,908	60,693,095	14,245,480	12,851,044
Income tax payable		83,188,789	26,768,230	-	-
Accrued project cost		1,337,971,260	1,125,896,343	-	-
Short-term provisions	27	111,277,936	107,937,498	-	387,009
Other current financial liabilities		47,445,611	34,403,745	-	9,213,789
Other current liabilities	28	855,768,260	664,307,737	14,196,528	27,890,310
Total current liabilities		9,062,247,147	10,730,985,643	1,741,410,958	3,190,978,292
Non-current liabilities					
Debentures - net of current portion	25	1,672,167,777	1,669,389,274	1,672,167,777	1,669,389,274
Long-term loans from financial institutions - net of current portion	26	700,691,333	1,685,768,249	582,291,333	886,214,453
Convertible debentures	16	21,912,210	37,964,379	-	-
Lease liabilities, net of current portion	19	111,824,585	181,851,045	22,080,397	34,733,791
Long-term provisions	27	701,082,489	655,180,654	438,263,014	428,763,014
Provision for long-term employee benefits	29	310,631,944	310,041,170	51,611,595	51,669,166
Deferred tax liabilities	38	177,913,217	182,426,646	31,915,422	23,699,828
Other non-current financial liabilities		18,318,154	23,261,737	12,881,691	12,271,390
Other non-current liabilities					
Deposits		1,569,200	1,691,200	-	-
Others		8,976,763	4,272,197	7,986,559	3,281,994
Total other non-current liabilities		10,545,963	5,963,397	7,986,559	3,281,994
Total non-current liabilities		3,725,087,672	4,751,846,551	2,819,197,788	3,110,022,910
Total liabilities		12,787,334,819	15,482,832,194	4,560,608,746	6,301,001,202

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	30				
Registered					
1,174,254,794 ordinary shares of Baht 1 each		1,174,254,794	1,174,254,794	1,174,254,794	1,174,254,794
Issued and fully paid-up					
1,006,504,143 ordinary shares of Baht 1 each		1,006,504,143	1,006,504,143	1,006,504,143	1,006,504,143
Share premium	30	243,407,227	243,407,227	243,407,227	243,407,227
Surplus (deficit) on changes in percentage of shareholding in subsidiaries		2,355,058,574	(246,620,516)	-	-
Retained earnings					
Appropriated - statutory reserve	31	134,200,521	134,200,521	134,200,521	134,200,521
Unappropriated		1,006,031,608	1,397,680,892	1,601,937,884	971,308,001
Other components of shareholders' equity		108,410,973	143,801,540	129,767,320	129,767,320
Equity attributable to owners of the Company		4,853,613,046	2,678,973,807	3,115,817,095	2,485,187,212
Non-controlling interests of the subsidiaries		1,467,910,406	1,174,045,197	-	-
Total shareholders' equity		6,321,523,452	3,853,019,004	3,115,817,095	2,485,187,212
Total liabilities and shareholders' equity		19,108,858,271	19,335,851,198	7,676,425,841	8,786,188,414

The accompanying notes are an integral part of the financial statements.

Directors

Samart Corporation Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues					
Revenues from sales	32	160,146,656	765,243,197	500,702,333	166,210,225
Revenues from contract work	32	5,061,648,021	4,249,646,466	-	-
Service income	32	4,917,577,349	4,005,607,333	889,695,370	620,296,905
Other income	33	157,690,376	397,551,722	2,644,302,890	237,324,238
Total revenues		<u>10,297,062,402</u>	<u>9,418,048,718</u>	<u>4,034,700,593</u>	<u>1,023,831,368</u>
Expenses	37				
Cost of sales		157,968,355	721,755,549	492,539,399	162,779,205
Cost of contract work		4,458,678,287	3,635,101,795	-	-
Cost of services		3,742,703,292	3,153,340,839	753,125,598	525,108,114
Selling and distribution expenses		215,442,392	223,252,354	1,983,197	2,489,491
Administrative expenses		906,791,686	899,422,179	256,096,867	252,038,665
Other expenses	34	660,759,484	1,065,721,632	1,515,358,880	3,358,525,093
Total expenses		<u>10,142,343,496</u>	<u>9,698,594,348</u>	<u>3,019,103,941</u>	<u>4,300,940,568</u>
Operating profit (loss)		<u>154,718,906</u>	<u>(280,545,630)</u>	<u>1,015,596,652</u>	<u>(3,277,109,200)</u>
Finance income	35	40,731,495	12,280,822	31,322,173	29,290,037
Finance cost	36	(538,582,284)	(483,720,931)	(244,444,008)	(209,926,007)
Loss of impairment loss on financial assets		(152,203,882)	(98,686,048)	(160,279,563)	(10,587,480)
Profit (loss) before income tax expenses		<u>(495,335,765)</u>	<u>(850,671,787)</u>	<u>642,195,254</u>	<u>(3,468,332,650)</u>
Income tax expenses	38	(148,836,485)	(481,987,579)	(11,565,371)	(7,869,659)
Profit (loss) for the year		<u>(644,172,250)</u>	<u>(1,332,659,366)</u>	<u>630,629,883</u>	<u>(3,476,202,309)</u>
Loss attributable to:					
Equity holders of the Company		(389,917,065)	(955,154,149)	630,629,883	(3,476,202,309)
Non-controlling interests of the subsidiaries		(254,255,185)	(377,505,217)		
		<u>(644,172,250)</u>	<u>(1,332,659,366)</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	39	<u>(0.39)</u>	<u>(0.95)</u>	<u>0.63</u>	<u>(3.45)</u>
Weighted average number of ordinary shares (shares)		<u>1,006,504,143</u>	<u>1,006,504,143</u>	<u>1,006,504,143</u>	<u>1,006,504,143</u>

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) for the year		<u>(644,172,250)</u>	<u>(1,332,659,366)</u>	<u>630,629,883</u>	<u>(3,476,202,309)</u>
Other comprehensive income:					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currencies		<u>(35,475,055)</u>	<u>(3,669,086)</u>	<u>-</u>	<u>-</u>
Items to be reclassified to profit or loss					
in subsequent periods - net of income tax		<u>(35,475,055)</u>	<u>(3,669,086)</u>	<u>-</u>	<u>-</u>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss)		<u>(3,789,841)</u>	<u>(1,028,279)</u>	<u>-</u>	<u>486,195</u>
Income tax effect	38	<u>830,874</u>	<u>(122,475)</u>	<u>-</u>	<u>(97,239)</u>
Items not to be reclassified to profit or loss					
in subsequent periods - net of income tax		<u>(2,958,967)</u>	<u>(1,150,754)</u>	<u>-</u>	<u>388,956</u>
Other comprehensive income for the year		<u>(38,434,022)</u>	<u>(4,819,840)</u>	<u>-</u>	<u>388,956</u>
Total comprehensive income for the year		<u>(682,606,272)</u>	<u>(1,337,479,206)</u>	<u>630,629,883</u>	<u>(3,475,813,353)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(427,039,851)</u>	<u>(961,373,301)</u>	<u>630,629,883</u>	<u>(3,475,813,353)</u>
Non-controlling interests of the subsidiaries		<u>(255,566,421)</u>	<u>(376,105,905)</u>		
		<u>(682,606,272)</u>	<u>(1,337,479,206)</u>		

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other comprehensive income							
					Exchange differences on translation of financial statements in foreign currencies							
					Surplus on revaluation of land of subsidiary companies							
					Total other components of shareholders' equity							
					Total equity attributable to shareholders of the Company							
					Non-controlling interest of the subsidiaries							
					Total shareholders' equity							
	Issued and paid-up share capital	Share premium	Surplus (deficit) on changes in percentage of shareholding in subsidiaries	Retained earnings Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus on revaluation of land	Surplus on revaluation of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Non-controlling interest of the subsidiaries	Total shareholders' equity
Balance as at 31 December 2021	1,006,504,143	243,407,227	(503,318,974)	134,200,521	2,355,139,652	(169,326,902)	129,767,320	187,275,663	147,716,081	3,383,648,650	1,341,673,472	4,725,322,122
Loss for the year	-	-	-	-	(955,154,149)	-	-	-	-	(955,154,149)	(377,505,217)	(1,332,659,366)
Other comprehensive income for the year	-	-	-	-	(2,304,611)	(3,914,541)	-	-	(3,914,541)	(6,219,152)	1,399,312	(4,819,840)
Total comprehensive income for the year	-	-	-	-	(957,458,760)	(3,914,541)	-	-	(3,914,541)	(961,373,301)	(376,105,905)	(1,337,479,206)
Change in the percentage of shareholding in the subsidiaries which not result in a loss of control	-	-	256,698,458	-	-	-	-	-	-	256,698,458	208,477,630	465,176,088
Balance as at 31 December 2022	<u>1,006,504,143</u>	<u>243,407,227</u>	<u>(246,620,516)</u>	<u>134,200,521</u>	<u>1,397,680,892</u>	<u>(173,241,443)</u>	<u>129,767,320</u>	<u>187,275,663</u>	<u>143,801,540</u>	<u>2,678,973,807</u>	<u>1,174,045,197</u>	<u>3,853,019,004</u>
Balance as at 31 December 2022	1,006,504,143	243,407,227	(246,620,516)	134,200,521	1,397,680,892	(173,241,443)	129,767,320	187,275,663	143,801,540	2,678,973,807	1,174,045,197	3,853,019,004
Loss for the year	-	-	-	-	(389,917,065)	-	-	-	-	(389,917,065)	(254,255,185)	(644,172,250)
Other comprehensive income for the year	-	-	-	-	(1,732,219)	(35,390,567)	-	-	(35,390,567)	(37,122,786)	(1,311,236)	(38,434,022)
Total comprehensive income for the year	-	-	-	-	(391,649,284)	(35,390,567)	-	-	(35,390,567)	(427,039,851)	(255,566,421)	(682,606,272)
Change in the percentage of shareholding in the subsidiaries which not result in a loss of control	-	-	2,601,679,090	-	-	-	-	-	-	2,601,679,090	549,431,630	3,151,110,720
Balance as at 31 December 2023	<u>1,006,504,143</u>	<u>243,407,227</u>	<u>2,355,058,574</u>	<u>134,200,521</u>	<u>1,006,031,608</u>	<u>(208,632,010)</u>	<u>129,767,320</u>	<u>187,275,663</u>	<u>108,410,973</u>	<u>4,853,613,046</u>	<u>1,467,910,406</u>	<u>6,321,523,452</u>

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements					
	Retained earnings				Other components of	
	Issued and	Share	Appropriated -		shareholders' equity	
	paid-up	premium	statutory	Unappropriated	Surplus on	
	share capital		reserve		revaluation of	
					land	
					equity	
Balance as at 31 December 2021	1,006,504,143	243,407,227	134,200,521	4,447,121,354	129,767,320	5,961,000,565
Loss for the year	-	-	-	(3,476,202,309)	-	(3,476,202,309)
Other comprehensive income for the year	-	-	-	388,956	-	388,956
Total comprehensive income for the year	-	-	-	(3,475,813,353)	-	(3,475,813,353)
Balance as at 31 December 2022	1,006,504,143	243,407,227	134,200,521	971,308,001	129,767,320	2,485,187,212
Balance as at 31 December 2022	1,006,504,143	243,407,227	134,200,521	971,308,001	129,767,320	2,485,187,212
Profit for the year	-	-	-	630,629,883	-	630,629,883
Total comprehensive income for the year	-	-	-	630,629,883	-	630,629,883
Balance as at 31 December 2023	1,006,504,143	243,407,227	134,200,521	1,601,937,884	129,767,320	3,115,817,095

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries
Statement of cash flows
For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Cash flows from operating activities					
Profit (loss) before tax		(495,335,765)	(850,671,787)	642,195,254	(3,468,332,650)
Adjustments to reconcile profit (loss) before tax to					
net cash provided by (paid from) operating activities					
Unrealised (gain) loss on exchange		7,304,176	(21,216,053)	(9,023,204)	9,370,572
(Gain) loss on change in value of other current financial assets	13, 33, 34	1,009,856	1,281,778	222,378	(844,168)
Gain on disposal of subsidiary	33	(1,242,786)	-	-	-
Unrealised loss from forward exchange contracts		4,975,754	13,579,224	-	9,213,789
Gain on sales of asset under finance lease agreements		-	(101,003,850)	-	-
Income from pursuing a legal case	33	(11,123,668)	(247,568,007)	-	-
Write-off trade and other receivables		3,912,030	82,490,071	520,758	-
Increase (decrease) in allowance for expected credit losses of					
trade and other receivables		(47,287,794)	18,972,246	7,275,034	-
Increase (decrease) of allowance for diminution in value of accrued revenue		10,178,299	(2,001,375)	-	-
Decrease in allowance for impairment of other current assets		(1,862,600)	-	-	-
Write-off other current assets		1,862,600	-	-	-
Increase in allowance for expected credit losses of					
short-term loans to subsidiary	6	-	-	12,650,000	10,240,000
Decrease in allowance for expected credit losses of					
long-term loans to subsidiary	6	-	-	(3,067,339)	-
Decrease in reduction cost of inventory to net realisable value	12	(37,178,146)	(11,883,386)	-	-
Increase (decrease) in allowance for expected credit losses of					
other non-current financial assets	13	(923,689)	(225,312)	(166,744)	347,480
Increase in allowance for expected credit losses of other long-term receivables	9	120,067,854	-	120,067,854	-
Write-off withholding tax deducted at source	34	110,503,946	8,814,674	1,180,052	670,198
Loss on impairment of investments in subsidiaries	16, 34	-	-	1,493,000,000	2,900,000,000
(Gain) loss on sales of listed equity investments	13	72,271	(3,401,396)	-	(840,698)
Loss on revaluation of investment properties	17, 34	-	-	11,456,450	7,313,023
Depreciation of plant and equipment	18	752,721,465	581,540,415	220,674,031	157,668,585
Depreciation of right-of-use assets	19	87,012,077	120,058,070	19,251,430	19,472,859
(Gain) loss on disposal of equipment	33	(3,327,149)	(2,096,013)	(5,000)	42,556
Gain on disposal of intangible assets	33	(2,541)	(6,320)	-	-
Loss on write-off of right-of-use assets		112,261,145	-	-	-
Increase (decrease) in allowance for impairment of right-of-use assets	19	(77,292,000)	77,292,000	-	-
Gain on change of lease agreements		-	(11,217,047)	-	-
Amortisation of deferred interest under lease liabilities	19, 36	10,402,142	17,756,755	1,684,420	1,829,893
Amortisation of unearned interest under lease receivable	35	(19,971,983)	(404,643)	-	-
Gain on compensation received from insurance	33	(6,000)	(26,644)	-	-
Write-off equipment		5,549,074	835,411	-	-
Transfer equipment to cost of project		72,993,933	23,554	315,000	-
Allowance for impairment loss on intangible assets	21	5,946,559	-	-	-
Allowance for impairment loss on equipment	18	394,508,728	393,000,000	-	-
Amortisation of intangible assets	21	105,234,034	105,715,420	5,907,032	5,899,321
Loss from write-off of goodwill		-	155,417,316	-	-
Reversal loss from provision for penalty from projects delay		-	(25,470,280)	-	-
Loss from long-term provision	34	71,099,677	426,563,014	9,500,000	426,563,014
Increase in provision for long-term employee benefits		30,607,497	22,005,757	2,981,762	4,546,706
Allowance for diminution in value of other non-current assets		73,832,500	-	23,000,000	-
Dividend income	33	(48,800)	(656,000)	(2,434,341,130)	(48,009,105)
Finance income	35	(20,759,512)	(11,876,179)	(31,322,173)	(29,290,037)
Interest expenses	36	503,168,249	440,870,583	231,284,714	197,136,362
Profit from operating activities before changes					
in operating assets and liabilities		1,768,861,433	1,176,491,996	325,240,579	202,997,700

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		(1,179,215,804)	(558,199,903)	(301,692,487)	(577,752,904)
Accrued income		(380,288,807)	143,568,154	4,467,403	(104,568,840)
Inventories		116,935,576	(290,954,172)	-	-
Other current financial assets		29,228,160	159,418,351	-	-
Other current assets		321,334,851	(308,232,618)	83,014,850	(83,851,981)
Other non-current financial assets		62,097,467	8,292,816	(629,503)	1,857,087
Other non-current assets		8,089,532	103,862,880	882,878	10,013,989
Operating liabilities increase (decrease)					
Trade and other payables		38,272,495	854,750,703	(198,777,559)	373,932,897
Other current financial liabilities		8,066,112	(6,302,785)	(9,213,789)	-
Other current liabilities		194,980,061	152,851,711	(14,080,791)	26,020,786
Other non-current financial liabilities		(4,943,583)	4,426,759	610,301	(2,083,210)
Other non-current liabilities		(52,827,913)	3,281,994	4,704,565	3,281,994
Cash flows from (used in) operating activities		930,589,580	1,443,255,886	(105,473,553)	(150,152,482)
Cash received from pursuing a legal case		797,560,600	-	-	-
Employee benefit paid during the year	29	(27,954,788)	(18,084,889)	(3,039,333)	(154,000)
Cash paid for interest expenses		(486,399,552)	(398,393,105)	(202,485,062)	(187,867,591)
Cash paid for corporate income tax		(281,852,992)	(180,489,862)	(19,976,097)	(9,202,355)
Cash received from withholding tax refundable		154,586,138	58,040,397	3,116,389	-
Cash received from value added tax refundable		1,439,460	409,522	-	-
Net cash flows from (used in) operating activities		1,087,968,446	904,737,949	(327,857,656)	(347,376,428)
Cash flows from investing activities					
Cash paid to provide short-term loans to subsidiary	6	-	-	(12,650,000)	(195,240,000)
Cash received from repayment of short-term loans to subsidiary	6	-	-	185,000,000	-
Cash paid to exercise of warrants		-	(221,498)	-	(41,666)
Cash paid to provide short-term loans to unrelated party		(15,525,000)	(24,899,846)	-	-
Cash received from repayment of short-term loans to unrelated party		9,959,938	14,939,908	-	-
Cash paid to provide short-term loans to employees		(8,729,976)	(172,000)	(249,370)	-
Cash received from repayment of short-term loans to employees		3,482,533	101,876	169,995	-
Cash paid to provide long-term loans to subsidiary	6	-	-	(66,000,000)	-
Cash received from repayment of long-term loans to subsidiary	6	-	-	388,305,000	-
Cash paid for additional purchase of investments in subsidiaries		-	-	(719,986,892)	(1,776,055)
Cash received from interest income		21,558,077	6,903,506	65,321,264	10,772,824
Proceeds from disposals of listed equity investments	13	95,729	14,521,395	-	7,260,698
Dividend received from listed equity investments	33	48,800	656,000	24,400	328,000
Dividend received from subsidiaries	16, 33	-	-	2,434,316,730	47,681,105
(Increase) decrease in restricted bank deposits		240,001,008	(76,396,406)	-	-
Cash received from lease receivables under finance lease agreement		101,650,146	64,623,318	-	-
Proceeds from disposal of equipment		3,394,484	6,903,466	8,000	193,263
Cash paid for acquisitions of equipment and assets under installation		(410,711,073)	(1,191,658,113)	(10,772,203)	(54,619,470)
Cash received from insurance claims		6,000	163,355	-	-
Net cash flow from disposal of subsidiary		(2,821,412)	-	-	-
Proceeds from disposal of intangible assets		35,574	106,591	-	-
Cash paid for acquisition of intangible assets		(225,409,250)	(49,670,751)	(40,281)	(88,837)
Net cash flows from (used in) investing activities		(282,964,422)	(1,234,099,199)	2,263,446,643	(185,530,138)

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(2,128,290)	49,802,998	-	-
Proceeds from short-term loans from financial institutions		7,185,262,726	4,106,344,994	3,273,400,000	359,400,000
Cash paid to settle short-term loans from financial institutions		(8,001,154,274)	(3,855,792,441)	(4,007,800,000)	(256,000,000)
Increase (decrease) in trust receipts		83,378,710	(141,214,219)	98,667,498	-
Proceed from short-term loans from subsidiary companies	6	-	-	54,790,000	221,714,000
Repayment of short-term loans from subsidiary companies	6	-	-	(403,595,150)	(97,000,000)
Repayment of short-term loans from unrelated parties		(2,329,390)	-	-	-
Cash received from issuance debentures	25	-	1,675,300,000	-	1,675,300,000
Cash paid to debentures redemption	25	-	(1,201,000,000)	-	(1,201,000,000)
Cash paid for front-end fee of debentures	25	-	(8,376,500)	-	(8,376,500)
Proceed from issuance of convertible debentures	16	138,000,000	460,000,000	-	-
Proceeds from long-term loans from financial institutions	26	143,000,000	143,400,000	-	-
Cash paid for front-end fee of long-term loans from financial institutions	26	-	(1,000,000)	-	(1,000,000)
Cash paid to settle long-term loans from financial institutions	26	(2,393,901,485)	(471,494,884)	(568,196,547)	(183,740,000)
Cash paid to settle long-term loans from related parties		-	-	-	(36,000,000)
Cash paid to settle liabilities under lease agreements	19	(71,245,631)	(90,291,097)	(15,099,248)	(17,301,933)
Proceeds from disposals of investment in subsidiary		1,902,081,291	-	-	-
Proceeds from increase in share capital of subsidiary		1,194,720,000	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries		(158,803,410)	(20,289,587)	-	-
Net cash flows from (used in) financing activities		16,880,247	645,389,264	(1,567,833,447)	455,995,567
Increase (decrease) in translation adjustments		(2,652,782)	11,495,294	-	-
Net increase (decrease) in cash and cash equivalents		819,231,489	327,523,308	367,755,540	(76,910,999)
Cash and cash equivalents at beginning of the year		1,636,079,876	1,308,556,568	151,551,508	228,462,507
Cash and cash equivalents at end of the year		2,455,311,365	1,636,079,876	519,307,048	151,551,508

Supplement disclosures of cash flows information

Non-cash items

Transfer allowance for expected credit losses of other long-term receivable to current portion	8	-	178,890	-	178,890
Transfer other long-term receivable to current portion		-	550,000	-	550,000
Transfer equipment to intangible assets		1,582,363	-	-	-
Increase (decrease) in accounts payable for acquisitions of equipment		5,747,527	7,437,482	5,117,466	(7,473,239)
Increase (decrease) in accounts payable for acquisitions of investment in subsidiaries		-	-	(1,443,975)	1,443,975
Increase (decrease) in accounts receivable from disposals of equipment		-	(292,755)	(3,000)	3,000
Transfer inventories to equipment		1,314,457	25,724,796	-	-
Transfer other current assets to equipment		127,560	-	127,560	-
Increase in accounts payable for purchases of intangible assets		1,836,830	-	-	-
Transfer right-of-use assets to equipment		1	621,269	-	161
Debentures converted to ordinary shares in subsidiary	16	168,000,000	489,000,000	-	-
Increase (decrease) in right-of-use assets	19	(6,559,435)	156,701,173	2,155,869	28,721,118

The accompanying notes are an integral part of the financial statements.

Samart Corporation Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Samart Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the design and installation of telecommunications systems, and the sales of telecommunications equipment. The registered office of the Company is at 99/1 Moo 4, Software Park Building, 35th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Samart Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			<u>2023</u> Percent	<u>2022</u> Percent
The Samart Engineering Co., Ltd.	Manufacture and distribution of television and radio antenna, Broadcast Network Solution as well as produce metal work, metal sheet products and related products which apply with electronic system, station equipment, all varieties of meters, and mobile base station provided 3G / 4G network, including metal forming products, aluminium, and zinc.	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			<u>2023</u> Percent	<u>2022</u> Percent
Samart U-Trans Co., Ltd.	Provision of system integrator for transportation energy and utilities system	Thailand	100	100
Samart Telcoms Public Co., Ltd.	1. Providing total solutions and services regarding advanced technologies in telecommunications and data communication networks. 2. Providing advanced solutions and services, which integrate and apply varieties of information technologies, including advanced, specialized technologies. 3. Providing solutions and services regarding advanced software application to enhance capability and operation efficiency through the form of electronic services for customers.	Thailand	70.14	70.14
Samart Digital Public Co., Ltd.	Provide integrated businesses in digital network, solution and content.	Thailand	77.90	65.91
Vision and Security System Co., Ltd.	Provide services, sale, installation of security system, audio and video conference, wire and wireless communication system	Thailand	73	73
Suvarnabhumi Environment Care Co., Ltd.	Temporarily ceased its business (2016: Provision of waste management services in vicinity of Suvarnabhumi Airport)	Thailand	90	90
Samart RadiTech Co., Ltd.	Radiation technology business : Trading of radiation measurement equipments, radiation measurement service, and radiation project management.	Thailand	100	100
Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	Leasing its freehold land to third parties in Cambodia	Cambodia	49	49
Samart Inter Holding Co., Ltd.	The holding company for investing in public utilities in the Indochina region	Hong Kong	100	100

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
Subsidiary held by Samart Inter Holding Co., Ltd.				
Kampot Power Plant Co., Ltd.	Sale the electricity to Bodaiju Residence Condominium in Phnom Penh by purchase electricity from Cambodia government	Cambodia	100	100
Subsidiaries held by Samart U-Trans Co., Ltd.				
Teda Co., Ltd.	Provide services regarding Engineering Design & Installation of Energy Management System & Energy Supply and Demand Controller for Industries and Commercial Buildings. In addition, expand services in areas related to electric stations controlled by digital systems and modern energy management systems.	Thailand	94.36	94.36
Samart U-Trans (Myanmar) Co., Ltd.	Liquidation during the current year (2022: In process of liquidation)	Myanmar	-	100
Samart Green Energy Co., Ltd.	Operate business related to renewable energy management. (Temporarily ceased its business)	Thailand	100	100
Samart Aviation Solutions Public Co., Ltd. (held by Samart U-trans Co., Ltd.: 60.00% and held by Samart Inter Holding Co., Ltd.: 14.06%)	Engaging in the business of investing in other companies (a holding company) with a focus on investing in companies operating in the provision of Air Navigation Service or other business related to the Air Traffic Management.	Thailand	74.22	100
Subsidiary held by Teda Co., Ltd.				
Transec Power Services Co., Ltd.	Provide services regarding Engineering, Construction, Installation & Commissioning and Maintenance services for Power Substation and any High Voltage system.	Thailand	94.36	94.36

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
Subsidiary held by Samart Aviation Solutions Public Co., Ltd.				
Cambodia Air Traffic Services Co., Ltd.	Provide of air traffic control services in Cambodia	Cambodia	74.22	100
Subsidiaries held by Samart Telcoms Public Co., Ltd.				
Samart Communication Services Co., Ltd.	Design installation and maintenance of communications networks	Thailand	70.14	70.14
Posnet Co., Ltd.	Providing total solutions and services for electronic payment system including Electronic Data Capture (EDC)	Thailand	70.14	70.14
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	70.14	70.14
Samart Comtech Co., Ltd.	Providing consultation, design, installation and maintenance of IT systems	Thailand	70.14	70.14
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	70.14	70.14
Samart Infonet Co., Ltd.	Provision for internet and cloud services	Thailand	69.88	69.88
Samart eD Tech Co., Ltd.	Providing services of comprehensive learning management platform	Thailand	70.14	70.14
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	70.14	70.14
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	70.14	70.14
Subsidiary held by Samart Broadband Services Co., Ltd.				
IT Absolute Co., Ltd.	Ceased its operation since 2016	Thailand	70.10	70.10
Subsidiaries held by Samart Comtech Co., Ltd.				
Net Service (Thailand) Co., Ltd.	Development soft application, including e-document and data management solution	Thailand	70.14	42.08
Secure Info Co., Ltd.	Engage in cyber security services	Thailand	70.14	70.14

In addition, these consolidated financial statements include transactions of the following consortium, in which Portalnet Co., Ltd is a participant:

Name	Objective	Consortium Type	Country of incorporation	
Consortium SPIES	The leasing of an application software for core business operations to the Provincial Electricity Authority	Joint control	Thailand	
Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
Subsidiaries held by Samart Digital Public Co., Ltd.				
Samart Digital Media Co., Ltd.	Provision content services via Audiotext and Call center	Thailand	77.90	65.91
I-Mobile Plus Co., Ltd.	Temporarily ceased its business	Thailand	77.90	65.91
Zecureasia Co., Ltd.	Temporarily ceased its business	Thailand	77.90	65.91
Lucky Heng Heng Co., Ltd.	Operate all kinds of forecasting and astrology	Thailand	77.90	65.91
Thai Base Station Co., Ltd.	Provision space rental and other services and distribution telecommunication equipment and system	Thailand	77.90	65.91
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	75.87	64.20
Subsidiaries held by Samart Digital Media Co., Ltd.				
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	38.95	32.96
Entertainment Tree Co., Ltd.	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	48.20	40.78
Subsidiaries held by I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	TV media, sport license and sport-related business	Thailand	-	32.96

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit and loss and within equity in the consolidated statement of financial position.
- h) In recording the acquisition of ownership interests in subsidiaries without change of control (repurchase of shares from non-controlling interests) when the carrying amount of the net assets acquired is lower than the cost of the investment, the difference has been presented in shareholders' equity under the caption of "Deficit on changes in percentage of shareholding in subsidiaries". When the carrying amount of the net assets acquired is higher than the cost of the investment, the difference has been presented under the caption of "Surplus on changes in percentage of shareholding in subsidiaries".

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenues from contract work

Revenues from contract work is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service or recognised over time when services have been rendered taking into account the stage of completion.

Revenue from sales under finance lease agreements

Finance lease receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the asset is recognised as unearned interest income. Interest income on finance leases is recognised over the term of the lease using the effective interest rate.

Transponder service income

Transponder service income under type-two telecom license without its own network is recognised as revenue on the monthly accrual basis in accordance with the payments due under the agreement.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the Group expects to receive less direct costs.

4.3 Contract balance

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date which has been presented under the caption of "Accrued income" in the statement of financial position. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Contract liabilities

A contract liability is the excess of the billings to date over the cumulative revenue earned and the Group has the obligation to transfer goods and services to a customer which has been presented under the caption of “Unearned revenue” in the statement of financial position. Contract liabilities are recognised as revenue when the Group fulfils their performance obligations under the contracts.

4.4 Cash and cash equivalents

Cash and cash equivalents consist cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimate costs necessary to make the sale.

4.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and improvement	3 - 20 years
Office equipment	3 - 10 years
Machinery, tools and equipment	3 - 10 years
Motor vehicles	5 and 7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Service concession and other intangible assets	5 - 39 years
Computer software	3, 5, 10 years and contract periods
Right for telecommunication tower service	10 years and contract periods

4.11 Service concession arrangements

The subsidiary determines conditions of an arrangement whereby a grantor, which is the Royal Government, controls or regulates what services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.

The subsidiary recognises and measures the consideration received depending on the conditions of service concession arrangement. An intangible asset is recognised to the extent that the subsidiary receives a right to charge users of the public service. A financial asset is recognised to the extent that an operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor.

The subsidiary recognises the consideration, based upon the conditions of service concession arrangement, received from the air traffic control service and system installation in Cambodia as an intangible asset because the subsidiary receives a right to charge users of the public service. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any). The subsidiary amortises such intangible asset as expense in the profit or loss on a straight-line basis of the concession period.

4.12 Business combinations and goodwill

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest (if any), in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.13 Convertible debentures

Convertible debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debentures, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

4.14 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and improvement	3 - 10	years
Equipment	3 - 10	years
Motor vehicles	5 - 7	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.16 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.17 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment property and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews and when circumstances indicate that the carrying value may be impaired in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.18 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

Provision for vacation

The Group has set up provision for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

4.19 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.22 Derivatives

The Group uses derivatives, which is forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as other current financial assets or other current financial liabilities.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Significant judgement is required in determining the contract costs incurred for work performed to date, estimated total contract revenue and construction costs, and the recoverability of the contract costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists.

Determination of transaction price

In determining transaction price, the management is required to use judgement in estimating the variable consideration. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. The Group includes any amount of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

5.2 Leases

The Group as a lessee

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group as lessor

Lease classification

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.3 Allowance for expected credit losses of trade and other receivables and contract assets

In determining an allowance for expected credit losses of trade and other receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

5.4 Reduction cost to net realisable value of inventories

Determining the reduction cost to net realisable value of inventories requires management to exercise judgement in term of estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business less the estimated costs to completion or estimated additional expenses to be incurred in preparing the inventory for sale, and reduction cost of inventories for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

5.5 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 18.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.6 Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that the Group will have taxable profit that will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.9 Litigation and delay penalty

The Group has contingent liabilities as a result of litigation and delay penalty. The management has used judgement to assess the results of the litigation and delay penalty in which they believe that the provisions made would be sufficient as at the end of reporting period. However, actual results could differ from the estimates.

6. Related party transactions

During the years, the Group had significant business transactions with related parties, principally in respect of the purchase and sales of goods, services and loans. Such transactions, which were summarised below, were concluded on terms and bases agreed upon between the Company and its related parties. The pricing policies with its related parties summarised as follows:

1. Sales prices are determined at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental income are charged at the amount stated in the agreement.
3. IT service fees income from subsidiary companies are charged at the amount stated in the agreement based on cost plus a margin not over 5 percent.
4. Other service income and expenses are charged at a mutually agreed price.
5. Interest on loans are charged at cost plus margin as follows:
 - 5.1 Cost of fund plus 0.25 percent per annum.
 - 5.2 Fixed deposit rate of the commercial banks that frequently use.

- 5.3 12-month average fixed deposit rate of the big five commercial banks plus 0.25 percent per annum.
- 5.4 Average saving deposit rate of the big five commercial banks plus 0.25 percent per annum.
- 5.5 For interest on USD Loans charged at LIBOR 3-month plus 0.25 percent per annum and/or SOFR 3-month plus 0.51161 percent per annum.
6. Fixed assets are sold and purchased at market price or their net book value plus a margin, depending on the condition of the fixed assets.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Management benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.
9. Dividend income is recognised when declared and the right to receive the dividend is established.

Significant business transactions between the Company and its related parties were summarised below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	501	166
Purchases of goods and services	-	-	6	4
Management fee income	-	-	69	69
Guarantee fee income	-	-	9	8
IT Service fee income	-	-	48	45
Dividend income	-	-	2,434	48
Interest income	-	-	30	25
Purchases of fixed assets	-	-	1	33
Other income	-	-	55	53
Other expenses	-	-	7	8
Interest expenses	-	-	35	20
Transactions with related companies				
Sales and service income	4	5	-	-
Purchases of goods and services	10	11	-	-
Other income	1	1	-	-
Other expenses	115	111	80	78

As at 31 December 2023 and 2022, the balances of the account between the Company and those related parties were as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivable - related parties (Note 8)				
Subsidiary companies	-	-	709,387	173,862
Related companies (related by shareholder)	372	95	-	-
Total trade accounts receivable - related parties	372	95	709,387	173,862
Amount due from and advance to related parties (Note 8)				
Subsidiary companies	-	-	18,740	58,565
Related companies (related by shareholder)	1,402	1,250	385	389
Total amount due from and advance to related parties	1,402	1,250	19,125	58,954
Trade accounts payable - related parties (Note 23)				
Subsidiary companies	-	-	116,497	117,390
Total trade accounts payable - related parties	-	-	116,497	117,390
Other payables and accrued interest expenses - related parties (Note 23)				
Subsidiary companies	-	-	45,955	23,327
Related companies (related by shareholder)	6,595	4,502	199	255
Total other payables and accrued interest expenses - related parties	6,595	4,502	46,154	23,582

Loans to related parties and loans from related parties

As at 31 December 2023 and 2022, the balances of loans between the Company and those related parties and the movements were as follows:

Short-term loans to subsidiary companies

	(Unit: Thousand Baht) Separate financial statements			
	31 December 2022	During the year		31 December 2023
		Increase	Decrease	
Short-term loans to subsidiary companies (Note 11)				
Suvarnabhumi Environment Care Co., Ltd.	254,501	12,650	-	267,151
Samart U-Trans Co., Ltd.	185,000	-	(185,000)	-
Total	439,501	12,650	(185,000)	267,151
Less: Allowance for expected credit losses	(66,239)	(12,650)	-	(78,889)
Total short-term loans to subsidiary companies - net	373,262	-	(185,000)	188,262

Long-term loan to subsidiary company

(Unit: Thousand Baht)

	Separate financial statements			
	31 December	During the year		31 December
Long-term loan to subsidiary company	2022	Increase	Decrease	2023
Samart Digital Public Co., Ltd.	322,305	66,000	(388,305)	-
Less: Allowance for expected credit losses	(3,067)	-	3,067	-
Total long-term loan to subsidiary company	319,238	66,000	(385,238)	-

Financial support plan for Samart Digital Public Co., Ltd.

On 25 June 2020, a meeting of the Board of Directors of the Company passed a resolution to approve the financial support provided to Samart Digital Public Co., Ltd., a subsidiary company. The plan is to provide long-term loans under conditions as summarised below.

(Unit: Million Baht)

Loans conditions	Amount
The 1st financial support	
When the Company receives capital from the sale of the debentures in the amount of not exceeding	322
The 2nd financial support	
When the Company receives capital from listing Samart Aviation Solutions Public Co., Ltd. on the Stock Exchange of Thailand in the amount of not exceeding	200
The additional financial support	
The Company will consider providing additional financial support apart from the first and the second financial support in the total amount of not exceeding Baht 600 million from working capital of the Company	78
Total	600

The total amount of financial support is not exceeding Baht 600 million with a term of not exceeding 6 years or not beyond the year 2025. Interest rate is charged at fixed rate per annum. On 1 September 2020, a meeting of the Extraordinary General Meeting of Shareholders of Samart Digital Public Co., Ltd., a subsidiary company passed a resolution to approve the borrowing of loans from the Company under conditions of the financial support as mentioned above. Subsequently, on 2 September 2020, the Company had entered into a loan agreement with the subsidiary company, in total of not exceeding Baht 600 million which the loan has three installments of draw down and the Company drawn down 1st installment of Baht 322 million in September 2020. Interest rate is charged at fixed rate per annum and the loan shall be repaid in full amounts of loans within 30 December 2025.

On 23 February 2023, the Board of Director's meeting of the Company passed a resolution approving connected transactions to extend financial assistance to the subsidiary company, increasing the credit facility from the previous amount of not exceeding Baht 600 million to a total of not exceeding Baht 750 million, repayable within 6 years or by the year 2028 and fixed interest rate per annum. In September 2023, the subsidiary company entered into an additional loan transaction from the Company in the amount of Baht 66 million. However, as at 31 December 2023, the subsidiary company has fully paid such loan to the Company.

Short-term loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans from subsidiary companies (Note 24)	Separate financial statements				
	31 December	During the year		Unrealised gain	31 December
	2022	Increase	Decrease	on exchange	2023
Samart Inter Holding Co., Ltd.	439,530	-	-	(4,377)	435,153
Kampot Power Plant Co., Ltd.	104,201	29,790	-	(1,599)	132,392
The Samart Engineering Co., Ltd.	20,000	10,000	(10,000)	-	20,000
Samart U-Trans Co., Ltd.	-	15,000	(15,000)	-	-
Cambodia Air Traffic Services Co., Ltd.	378,595	-	(378,595)	-	-
Total short-term loans from subsidiary companies	942,326	54,790	(403,595)	(5,976)	587,545

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	109	88	31	26
Post-employment benefits	2	2	1	1
Total	111	90	32	27

Significant agreements with related parties

Long-term rental agreements

- a) The Group entered into office rental agreements with Vilailuck International Holding Co., Ltd., a related company, for use in their operations. These contracts will expire in April 2026. The Group has to pay a monthly rental fee of approximately Baht 1.9 million (2022: Baht 1.7 million) (Separate financial statements: Baht 0.8 million (2022: Baht 0.8 million)).
- b) The Group entered into office rental agreements with CSV Asset Co., Ltd., a related company, for use in their operations. These contracts will expire in December 2026. The Group has to pay a monthly rental fee of approximately Baht 0.2 million (2022: Baht 0.2 million) (Separate financial statements: Baht 0.1 million (2022: Baht 0.1 million)).

The Group recognised these long-term rental agreements as right-of-use assets and lease liabilities, as included in Note 19 to financial statements.

Service agreements

- a) The Group entered into facility service agreements with Vilailuck International Holding Co., Ltd., a related company. These contracts will expire in April 2026, under which it has to pay monthly facility service fees of approximately Baht 6.6 million (2022: Baht 6.0 million) (Separate financial statements: Baht 4.5 million (2022: Baht 4.0 million)).
- b) The Group entered into facility service agreements with CSV Asset Co., Ltd., a related company. These contracts will expire in December 2026, under which it has to pay monthly facility service fees of approximately Baht 0.3 million (2022: Baht 0.4 million) (Separate financial statements: Baht 0.2 million (2022: Baht 0.2 million)).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 43.4.2 to the financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	4,076	2,655	20	20
Bank deposits	2,554,335	1,976,526	519,287	151,532
Less: Restricted bank deposits	(103,100)	(343,101)	-	-
Total	<u>2,455,311</u>	<u>1,636,080</u>	<u>519,307</u>	<u>151,552</u>

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.01 and 5.00 percent per annum (2022: between 0.01 and 3.50 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade receivables - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	348	71	181,236	173,862
Past due				
Up to 3 months	-	-	99,486	-
3 - 6 months	-	-	262,900	-
6 - 12 months	-	-	165,765	-
Over 12 months	125	125	-	-
Total	473	196	709,387	173,862
Less: Allowance for expected credit losses	(101)	(101)	-	-
Total trade receivables - related parties, net	372	95	709,387	173,862
Trade receivables - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	995,456	1,069,927	168,059	394,665
Past due				
Up to 3 months	886,345	215,452	-	-
3 - 6 months	448,212	60,016	-	-
6 - 12 months	269,005	7,987	-	-
Over 12 months	2,693,064	3,107,023	116,517	117,038
Total	5,292,082	4,460,405	284,576	511,703
Less: Allowance for expected credit losses	(2,391,207)	(2,396,433)	(29,701)	(22,222)
Total trade receivables - unrelated parties, net	2,900,875	2,063,972	254,875	489,481
Total trade receivables - net	2,901,247	2,064,067	964,262	663,343

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other receivables				
Amount due from and advance to				
related parties (Note 6)	1,402	1,250	19,125	58,954
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	107,308	450,042	29,023	29,594
Total	1,131,336	1,473,918	48,148	88,548
Less: Allowance for expected credit losses	(1,026,963)	(1,070,224)	(54)	(54)
Total other receivables - net	104,373	403,694	48,094	88,494
Other long-term receivables - current portion (Note 9)				
Other long-term receivables	-	1,500	-	1,500
Less: Allowance for expected credit losses	-	(355)	-	(355)
Total other long-term receivables - net	-	1,145	-	1,145
Total trade and other receivables - net	3,005,620	2,468,906	1,012,356	752,982

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance as at 31 December 2022	3,467,113	3,451,245	22,631	22,452
Add: Transfer from other long-term				
receivables	-	179	-	179
Allowance for expected credit losses	9,616	115,637	8,000	-
Less: Amount recovered	(53,693)	(21,420)	(204)	-
Amount written off	(3,425)	(82,428)	(521)	-
Transfer out	(151)	-	(151)	-
Decrease from disposal of				
investment in subsidiaries	(316)	-	-	-
Translation adjustments	(873)	3,900	-	-
Balance as at 31 December 2023	3,418,271	3,467,113	29,755	22,631

During the year 2023, the Group had received repayments from some debtors which had already been set up fully allowance for expected credit losses in the past. Therefore, the Group reversed allowance for expected credit losses amounted to Baht 54 million (2022: Baht 21 million) and reduced expected credit losses, respectively in expense in income statement.

- a) The Company and Samart Telcoms Public Co., Ltd., a subsidiary company have transferred their collection rights from and trade account receivable projects to banks as collateral of loans from banks and credit facilities. As at 31 December 2023, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 431 million (2022: the Company and two subsidiaries of Baht 920 million) (Separate financial statements: Baht 168 million (2022: Baht 395 million)).

- b) Securities business receivables

As at 31 December 2023, IT Absolute Co., Ltd., a subsidiary company (formerly operate securities business), had securities business receivables which are under legal proceedings, undergoing restructuring or being settled in installments, to Baht 1,023 million (2022: Baht 1,023 million), on which the subsidiary already fully set up allowance for expected credit losses.

In addition, during the year 2009, the subsidiary company has filed lawsuits with the Civil Court and the Bankruptcy Court, seeking to have the seven customers settled their total outstanding debts of Baht 978 million to the subsidiary company. The seven debtors are under absolute receivership by the Central Bankruptcy Court and these are being carried out in accordance with the process laid down under bankruptcy laws. The Civil Court dismissed the lawsuits of seven debtors so that the subsidiary company could receive settlement in the bankruptcy cases.

The share purchase agreement of shares in IT Absolute Co., Ltd., on 3 February 2012, stated that if IT Absolute Co., Ltd., receives any repayment or benefit subsequent to share transfer date (all together called “repayment”) arising from obligation before or at share transfer date, Samart Broadband Services Co., Ltd., another subsidiary company, (buyer) shall order IT Absolute Co., Ltd., to transfer the repayment made by the previous shareholder (a bank) at the rate of 99.7888 percent as formula which was described in the agreement.

- c) As at 31 December 2023, Samart Telcoms Public Co., Ltd., the subsidiary company, has trade account receivable and accrued income from a project work of Baht 140 million and Baht 170 million, respectively (2022: Baht 140 million and Baht 170 million, respectively). The management of the subsidiary company set up an allowance for expected credit losses for trade account receivable and accrued income of Baht 18 million and Baht 22 million, respectively (2022: Baht 9 million and Baht 11 million, respectively), in the subsidiary company's books of account. This project work is under responsibility of the STSL Consortium ("the Consortium"), comprising the subsidiary company and two private limited companies which entered into an agreement with a state enterprise to install and develop the core business information system amounting to Baht 579 million whereby the agreement expired on 22 August 2021. Subsequently, on 24 August 2021, the state enterprise notified of termination of the agreement with the Consortium and demanded forfeiture of collateral which was a letter of guarantee issued by a bank of Baht 20 million. Therefore, the subsidiary company recorded loss from project termination in the account of Baht 20 million which is adequate at this state. On 25 August 2021, the Consortium sent a letter refusing the termination of the agreement as it considered that the termination by the state enterprise was unfair, exercising the rights unlawfully and against the terms of the agreement. Additionally, the Consortium demanded full payment for the work already performed.

The management and the legal advisor of the subsidiary company are of the opinion that the termination of the agreement is unfair and unreasonable grounds provided. The delay arose from factors beyond control, which was not the fault of the consortium.

On December 7, 2021, the subsidiary filed a lawsuit in the civil court for demanding payments for all completed work from the stated state enterprise including claims for damages due to contractual termination. During the ongoing litigation, the mentioned state enterprise filed a counter-lawsuit in civil court as indicated in note 43.6 d) of the consolidated financial statements. Currently, the civil case is under review.

- d) On 23 November 2016, the Company, is at 60 percent investing in SPS Consortium, filed a lawsuit with the Administrative Court, seeking settlement of a government agency, as a trade account receivable of SPS Consortium for the outstanding service fees for the 44th - 120th installments that were past due totalling Baht 194 million. Subsequently, the Court has accepted to consider only the outstanding service fees for the 60th - 120th installments, totaling Baht 158 million, as they are in the 5-year period of the statute of limitation. The Company has recorded this account receivable of Baht 116 million in its financial statements, based on investing proportion, and also set aside allowance for expected credit losses for the portion of the Court which has not accepted.

Subsequently, on 9 August 2021, the bank, which issued the bank guarantee guaranteeing the performance of the contract on behalf of the SPS Consortium, had paid such state enterprise in accordance with the obligation under the two bank guarantees together with the interest rate charged by that state enterprise, amounting to Baht 67 million. The Company also paid the price of Baht 27 million on behalf of the other 2 SPS Consortium members. Therefore, The Company, recorded the payment paid on behalf of the aforementioned members as advance payment in full as well as recorded the damages under the waste management service contract in accordance with the Company's work proportion in the amount of Baht 40 million as an expense in the year 2021.

Therefore, as at 31 December 2023, the Company set up the allowance for expected credit losses of Baht 30 million (2022: Baht 22 million). The management of the Company believe it will receive the service fees accepted by the Court in full. Since SPS Consortium has documents to prove that all services have been completely rendered and believe that the allowance for expected credit losses is adequate and reflects the time value of money according to the schedules of expected debt collection.

Nonetheless, the management and legal advisors of the Company are of the opinion that SPS Consortium had already fulfilled both of its contractual and legal obligations as stated as mentioned in Note 43.6 b) to consolidated financial statements. Furthermore, the advisors strongly believe that the SPS Consortium will be able to get payment from the receivable and a refund of the guarantee according to the obligation under the letter of guarantee together with the interest rate already paid by the SPS Consortium. Incidentally, the record of the related information in compliance with the financial standard does not affect and constitute the waiver of the SPS Consortium's right to demand the payment of service fees and guarantee under the aforesaid letter of guarantee from such state enterprise and other suits that the SPS Consortium is in dispute and is under the Central Administrative Court's proceeding.

- e) As at 31 December 2023, Trade receivables - unrelated parties of two subsidiary companies (Samart Comtech Co., Ltd. and Cambodia Air Traffic Services Co., Ltd.) included the amount of Baht 21 million (2022: Baht 20 million). The subsidiary companies recognised the allowance for expected credit losses from such amount of Baht 14 million (2022: Baht 14 million).

Samart Comtech Co., Ltd. as the main service providers of this debtor and they believe that the rendering of services will continue in the future and Cambodia Air Traffic Services Co., Ltd. is the only provider of air traffic control services in Cambodia.

The subsidiary companies' management has evaluated and is confident that the debtors will have adequate cash flows to repay the debts. Therefore, the allowance for expected credit losses considering the current situation as at 31 December 2023 was sufficient and appropriate. Although the subsidiary companies have evaluated and have exercised their best estimates, there are still uncertainties regarding the current situation and future changes in circumstances, which is normal for future events that have not yet occurred.

- f) Other than those mentioned in a) - e) above, as at 31 December 2023, allowance for expected credit losses has not been set aside in full amount for the outstanding balances of the subsidiaries' trade receivables - unrelated parties that were aged more than 12 months past due. This is because trade receivables are government units and private companies, that obtained government projects or are large private companies. Those accounts receivable have business transactions with the group regularly and have continued to make repayment. The above accounts receivable have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The subsidiary companies have still followed up these debts and are confident that all debts could be collected. Therefore, the management of the subsidiary companies believes that the allowance for expected credit losses is appropriate and adequate.

9. Other long-term receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Other long-term receivables	200,495	201,395
Less: Allowance for expected credit losses	(200,495)	(80,631)
Total other long-term receivables - net	-	120,764
Less: Current portion (Note 8)	-	(1,145)
Other long-term receivables - net of current portion	-	119,619

Movements in the allowance for expected credit losses account of other long-term receivables were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	80,631	80,631
Allowance for expected credit losses	120,068	-
Less: Amount recovered	(204)	-
Ending balance	200,495	80,631

During the year 2023, the Company had fully set up allowance for expected credit losses of the above other long-term receivables.

10. Lease receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
Lease receivables (contractual value)	609,901	1,220,050
Less: Receipts	(101,650)	(610,149)
Lease receivables	508,251	609,901
Less: Unearned interest income	(37,334)	(57,306)
Lease receivables - net of unearned interest income	470,917	552,595
Less: Current portion of lease receivables	(126,413)	(102,008)
Lease receivables - net of current portion	<u>344,504</u>	<u>450,587</u>

During the year 2017, Vision and Security System Co., Ltd., a subsidiary company, entered into a rental agreement for the phase 2 CCTV project with a government unit which the total revenue is Baht 610 million. The agreement period is 5 years and carries interest MLR minus fixed rate per annum. The rental is to be paid on a monthly basis.

During the year 2022, the subsidiary company entered into an additional rental agreement for the phase 2 CCTV project with such government unit which the total revenue is Baht 610 million. The agreement period is 5 years and carries interest MLR minus fixed rate per annum. The rental is to be paid on a monthly basis.

11. Short-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term loans to related parties (Note 6)	-	-	188,262	373,262
Short-term loan to unrelated party	15,525	9,960	-	-
Short-term loans to employees	5,325	77	80	-
Total short-term loans	<u>20,850</u>	<u>10,037</u>	<u>188,342</u>	<u>373,262</u>

During the year 2022, Samart Comtech Co., Ltd., a subsidiary, provided a short-term loan of Baht 24.9 million to a company in order to jointly invest in a government sector project. Interest is charged at a rate of 9 percent per annum. The subsidiary received the rights to make collections from this project as collateral. The subsidiary has already fully received short-term loan in this year.

In addition, during the current year, the subsidiary company provided additional short-term loan of Baht 15.5 million to the above company in order to jointly invest in a government's project. Interest is charged at a rate of 11 percent per annum and the loan is to be repaid within May 2024. The subsidiary received the rights to make collections from this project as collateral. As at 31 December 2023, the outstanding balance of the short-term loans is Baht 15.5 million.

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	303,255	572,418	(59,969)	(96,641)	243,286	475,777
Work in process	345,283	184,768	(62,321)	(63,232)	282,962	121,536
Raw materials and supplies	56,378	68,379	(51,359)	(50,955)	5,019	17,424
Goods in transit	2,399	-	-	-	2,399	-
Total	<u>707,315</u>	<u>825,565</u>	<u>(173,649)</u>	<u>(210,828)</u>	<u>533,666</u>	<u>614,737</u>

During the current year, the subsidiary companies reversed the write-down of cost of inventories by Baht 37 million (2022: Baht 12 million), and reduced the amount of inventories recognised as expenses during the year.

13. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Financial assets at fair value through profit or loss				
Listed equity investments	2,533	3,711	1,488	1,710
Financial assets at amortised cost				
Fixed deposit	-	21,260	-	-
Retention receivables	425	71,264	-	-
Deposits	50,149	49,376	14,069	13,440
Total	50,574	141,900	14,069	13,440
Less: Allowance for expected credit losses	(17,313)	(18,237)	(1,344)	(1,511)
Total financial assets at amortised cost - net	33,261	123,663	12,725	11,929
Total other financial assets - net	35,794	127,374	14,213	13,639
Current	3,200	33,606	1,488	1,710
Non-current	32,594	93,768	12,725	11,929
	<u>35,794</u>	<u>127,374</u>	<u>14,213</u>	<u>13,639</u>

As at 31 December 2022, fixed deposit carried between 3.50 - 4.75 percent per annum (2023: Nil).

Financial assets at fair value through profit or loss

Movements of the listed equity investments account during the year ended 31 December 2023 and 2022 were summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	3,711	15,891	1,710	7,244
Increase during the year	-	222	-	42
Decrease during the year				
Proceeds from disposals	(96)	(14,521)	-	(7,261)
Gain (loss) on disposals	(72)	3,401	-	841
Total	(168)	(11,120)	-	(6,420)
Gain (loss) on change in value (Note 33 and 34)	(1,010)	(1,282)	(222)	844
Ending balance	2,533	3,711	1,488	1,710

14. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Advance for purchase of inventories and equipment	394,511	699,394	-	69,593
Refundable value added tax	309,230	384,446	2,748	5,836
Withholding tax and prepaid tax expenses	255,934	320,081	25,118	12,789
Prepaid expenses	242,946	247,821	9,543	12,441
Retention receivables	42,088	108,008	-	-
Advance payments	8,603	11,741	126	1,052
Others	114,891	50,304	16,547	23,445
Total	1,368,203	1,821,795	54,082	125,156
Less: Allowance for diminution in value	(10,989)	(15,730)	-	-
Total other current assets - net	<u>1,357,214</u>	<u>1,806,065</u>	<u>54,082</u>	<u>125,156</u>

The Group regards withholding tax deducted at sources as an asset since they have the right to claim for refund of it. However, the net realisable value of withholding tax depends on the exercise right to claim its, and the results of any tax audit by the Revenue officials.

During the year 2023, the Group received such refund of the withholding tax of 2018 - 2021 approximately Baht 155 million (2022: The Group received such refund of the withholding tax of 2014 - 2021 approximately Baht 58 million).

As at 31 December 2022, the subsidiaries had allowance for diminution in value of withholding tax deducted at sources totaling Baht 3 million. However, during the current year, the subsidiaries have fully written-off these withholding tax.

15. Restricted bank deposit

These represent fixed deposits pledged by some subsidiaries with the banks to secure credit facilities and letter of guarantees obtained from the banks.

16. Investments in subsidiaries

16.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Direct shareholding percentage		Cost		Dividend received during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
The Samart Engineering Co., Ltd.	550	550	100	100	587,258	587,258	-	-
Samart U-Trans Co., Ltd.	500	500	100	100	500,135	500,135	363,000	-
Samart Telcoms Public Co., Ltd.	618	618	70.14	70.14	1,537,050	1,537,050	82,358	47,681
Samart Digital Public Co., Ltd.	2,979	1,397	77.65	65.37	6,229,078	5,529,078	-	-
Vision and Security System Co., Ltd.	20	20	73	73	17,482	17,482	-	-
Suvarnabhumi Environment Care Co., Ltd.	50	50	90	90	44,990	44,990	-	-
Samart RadiTech Co., Ltd.	46	46	100	100	46,000	46,000	-	-
Samart Aviation Solutions Public Co., Ltd.	640	576	0.16	-	18,543	-	750	-
Cambodia Samart Co., Ltd.	USD 25,000	USD 25,000	49	49	24,244	24,244	-	-
(The Company has control over this company's operation)								
Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	583,829	583,829	1,988,209	-
Total investments in subsidiaries					9,588,609	8,870,066	2,434,317	47,681
Less: Allowance for diminution in value of investments					(5,674,822)	(4,181,822)		
Total investments in subsidiaries - net					3,913,787	4,688,244		

During 2023, the Company recorded allowance for diminution in value of investment in Samart Digital Public Co., Ltd. of Baht 1,493 million (2022: Baht 2,900 million) in separate financial statement since its fair value was lower than its weighted average cost and the subsidiary company has had operating losses for a number of consecutive years.

Furthermore, the Company has changes in investment in Samart Digital Public Company Limited and Samart Aviation Solutions Public Company Limited. As result, the Company recorded surplus on changes in percentage of shareholding in subsidiaries of Baht 2,602 million in the current year as presented in the consolidated statement of changes in shareholders' equity.

As at 31 December 2023, the Company has warrants SAMTEL-W1 of 72 million units (2022: SAMTEL-W1 and SDC-W1 of 72 million units and 1,479 million units, respectively).

16.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Thousand Baht)								
Company's name	Proportion of equity		Accumulated balance of		Profit/loss allocated to		Dividends paid to	
	interest held by		non-controlling interests		non-controlling interests		non-controlling interests	
	non-controlling interests		non-controlling interests		during the year		during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(%)	(%)						
Samart Digital Public Co., Ltd. and its subsidiaries	22.10	34.09	44,012	27,789	(301,785)	(389,037)	-	-
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.86	1,040,683	1,054,555	21,405	79,443	35,061	20,290

16.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)				
	Samart Digital Public		Samart Telcoms Public	
	Co., Ltd. and its subsidiaries		Co., Ltd. and its subsidiaries	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current assets	2,073,348	1,210,041	5,764,514	5,245,729
Non-current assets	2,526,323	3,041,497	1,892,485	2,225,180
Current liabilities	4,303,414	3,742,282	3,788,175	3,518,243
Non-current liabilities	106,059	450,289	321,067	389,990

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December			
	Samart Digital Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue	1,965,485	642,945	4,587,525	5,267,072
Profit (loss)	(738,502)	(1,265,309)	66,180	258,477
Other comprehensive income	(2,959)	(903)	-	871
Total comprehensive income	(741,461)	(1,266,212)	66,180	259,348

Summarised information about cash flows

(Unit: Thousand Baht)

	For the years ended 31 December			
	Samart Digital Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities	50,400	136,642	770,570	1,072,147
Cash flows used in investing activities	(131,105)	(362,074)	(293,517)	(486,864)
Cash flows from (used in) financing activities	(66,070)	267,402	(16,715)	(556,948)
Net increase (decrease) in cash and cash equivalents	<u>(146,775)</u>	<u>41,970</u>	<u>460,338</u>	<u>28,335</u>

16.4 Change in investments in subsidiaries held by the Group

Dissolution of subsidiaries

On 11 May 2020, an Extraordinary Meeting of shareholders of Samart U-Trans (Myanmar) Co., Ltd., a subsidiary company held by Samart U-Trans Co., Ltd. (another subsidiary company), passed a resolution to dissolve the subsidiary company. The subsidiary company registered its dissolution on 22 July 2020 and its liquidation process was completely registered with the Directorate of Investment and Company Administration on 6 June 2023.

16.5 Change in investments in subsidiary held by Samart Telcoms Public Co., Ltd.

On 19 June 2023, the Extraordinary General Meeting of Shareholders of Net Service (Thailand) Co., Ltd., a subsidiary of Samart Comtech Co., Ltd., another subsidiary company passed a special resolution to approve an increase in the share capital from Baht 20 million (2,000,000 ordinary shares of Baht 10 each) to Baht 115 million (11,500,000 ordinary shares of Baht 10 each) through an issuance of additional 9,500,000 ordinary shares of Baht 10 each sold to the subsidiary company's shareholders at the same previous proportion. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on 29 June 2023 and received full payment of the share capital.

Subsequently, on 29 June 2023, Samart Comtech Co., Ltd. has bought shares from others shareholders of Net Service (Thailand) Co., Ltd. at Baht 1.65 million at a mutually agreed price as stipulated in the agreement to hold all shares of such company at 100 percent.

On 30 October 2023, the Extraordinary General Meeting of Shareholders of Net Service (Thailand) Limited, passed a special resolution to approve a deduction in the share capital from Baht 115 million (11,500,000 ordinary shares of Baht 10 each) to Baht 70.7 million (7,071,000 ordinary shares of Baht 10 each) through a decrease of 4,429,000 ordinary shares of Baht 10 each. The subsidiary company has successfully registered this capital reduction with the Ministry of Commerce on 30 November 2023.

16.6 Changes in investments in Samart Digital Public Co., Ltd.

a) *Changes in share capital*

Share capital

	Number of ordinary shares (Thousand shares)	Registered share capital (Thousand Baht)
<u>Registered share capital</u>		
1 January 2022	16,759,170	1,675,917
Decrease in registered share capital	(1,821,220)	(182,122)
Increase in registered share capital	2,213,029	221,303
1 January 2023	17,150,979	1,715,098
Decrease in registered share capital	(3,617,839)	(361,784)
Increase in registered share capital	37,126,442	3,712,644
31 December 2023	50,659,582	5,065,958

On 27 April 2023, the Annual General Meeting of shareholders of the subsidiary company passed the following resolutions.

- 1) Approving the increase in the subsidiary company's registered capital of Baht 310 million, from Baht 1,715 million to Baht 2,025 million, by issuing 3,094 million newly issued ordinary shares with a par value of Baht 0.10 each. The purpose of the issuance is to (1) accommodate the conversion rights of the convertible debentures and (2) allocate the newly issued ordinary shares by private placement. The subsidiary company has already registered the increase in share capital with the Ministry of Commerce on 19 May 2023.
- 2) Approving the allocation of not exceeding 1,208 million newly issued ordinary shares with a par value of Baht 0.10 each to accommodate the conversion rights of the convertible debentures and approve the subsidiary company determining the conversion price of convertible debentures to be issued in private placement, which may be lower than the par value but not less than Baht 0.01 per share.
- 3) Approving the issuance and allocation of not exceeding 1,887 million newly issued ordinary shares with a par value of Baht 0.10 each by way of private placement, to be offered to specific investors, including Echelon Capital Holdings Limited, who is not considered a connected person, and/or other investors as determined by the subsidiary for additional private placement. In addition, the resolution approved the subsidiary determining the offering price of the newly issued ordinary shares for private placement, which may be lower than the par value but not less than Baht 0.01 per share. The conversation price is not less than 90 percent of weighted average price of the subsidiary's share trading for not less than 7 consecutive business days but not more than 15 consecutive business days prior to the date the offering price is determined.

On 28 November 2023, an extraordinary general meeting of the subsidiary company's shareholders passed the following resolutions:

1. Approved the decrease of the subsidiary company's registered capital of Baht 362 million from the existing registered capital of Baht 2,025 million to the new registered capital of Baht 1,663 million by canceling 3,618 million unissued shares with a par value of Baht 0.10 per share, which remained from the share allocation to accommodate (1) the exercise of warrants to purchase ordinary shares of subsidiary company (SDC-W1) allocated to existing shareholders who subscribed and had been allocated the newly issued ordinary shares issued and offered to existing shareholders in proportion to their shareholding (Right Offering) per the resolution of the Annual General Meeting of Shareholders for the year 2018 held on 27 April 2018, and (2) the issuance and allocation of the newly issued ordinary shares through a private placement, i.e., Echelon Capital Holdings Limited and/or other investors who are considered private placement, per the resolution of the Annual General Meeting of Shareholders for the year 2023. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 29 November 2023.

2. Approved the issuance and offering of newly issued convertible debentures for use as working capital of the subsidiary company for project investments and loan settlement with banks. The total offered value will not exceed Baht 650 million and the offering will be made to specific investors that are Advance Opportunities Fund and Advance Opportunities Fund 1. These funds are identified as not being connected persons of the subsidiary company.
3. Approved the increase of the subsidiary company's registered capital of Baht 3,403 million from the existing registered capital of Baht 1,663 million to the new registered capital of Baht 5,066 million by issuing 34,032 million ordinary shares with a par value of Baht 0.10 (1) to accommodate the conversion rights of the convertible debentures issued to specific investors, and (2) to allocate the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering). The subsidiary company registered the increase in share capital with the Ministry of Commerce on 30 November 2023.
4. Approved the allocation of newly issued ordinary shares not exceeding 2,856 million shares with a par value of Baht 0.10 per share to accommodate the conversion rights of the convertible debentures issued and offered to Advance Opportunities Fund and Advance Opportunities Fund 1, which are not connected persons of the subsidiary company. Additionally, the subsidiary company is approved to designate the conversion price of the convertible debentures, which may be lower than the par value of the subsidiary company but not less than Baht 0.01 per share.
5. Approved the allocation of the newly issued ordinary shares not exceeding 31,176 million shares, with a par value of Baht 0.10 per share, to offer to existing shareholders in proportion to their shareholding (Right Offering), whether once or several times. The allocation ratio is set at 1 existing ordinary share to 2 newly issued ordinary shares, with fractions resulting from the calculation of such allocation being disregarded, at the offering price of Baht 0.05 per share.
6. Approved the designation of the conversion price of the convertible debentures issued and offered in accordance with the resolution of the Extraordinary General Meeting of Shareholders on 18 March 2022. The designated conversion price may be lower than the par value of the subsidiary company but not less than Baht 0.01 per share.

On 18 March 2022, an extraordinary general meeting of the subsidiary company's shareholders passed the following resolutions:

1. Approving the decrease of the subsidiary's registered capital of Baht 182 million from Baht 1,676 million to the new registered capital of Baht 1,494 million by cancelling 1,821 million ordinary shares with par value of Baht 0.10 remaining from the allocation to reserve for the issuance of convertible debentures. The subsidiary registered the decrease in share capital with the Ministry of Commerce on 21 March 2022.
2. Approving the increase of the subsidiary's registered capital of Baht 221 million from Baht 1,494 million to the new registered capital of Baht 1,715 million by issuing 2,213 million new ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion right of the Convertible Debentures. The subsidiary company registered the increase in share capital with the Ministry of Commerce on 22 March 2022.

	Number of ordinary shares (Thousand shares)	Paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)
<u>Issue and paid-up share capital</u>			
1 January 2022	12,499,844	1,249,984	3,167,745
Increase from exercise of convertible debentures	1,475,021	147,503	341,497
31 December 2022	13,974,865	1,397,487	3,509,242
Increase from exercise of convertible debentures	1,724,330	172,433	(4,433)
Issued additional shares	14,093,820	1,409,382	(704,691)
31 December 2023	29,793,015	2,979,302	2,800,118

The subsidiary company has already registered the increase in paid-up share capital with the Ministry of Commerce.

b) Issuance and offering of the Convertible Debentures

On 27 April 2023, the Annual General Meeting of shareholders of the subsidiary company passed a resolution to approve the issuance and offering of new convertible debentures of the subsidiary company totaling not exceeding Baht 160 million to specific investors, namely Advance Opportunities Fund and Advance Opportunities Fund 1, who are not considered connected persons. The purpose of this issuance is to secure working capital for the subsidiary company, invest in projects and repay loans from financial institutions. The convertible debentures are unsubordinated and unsecured, and will mature in 3 years with an interest rate of 0.50% per annum.

On 18 March 2022, the Extraordinary General Meeting of shareholders of the subsidiary company passed a resolution approving the issuance and offering of the convertible debentures to private placement investors who are not related with the subsidiary company in the amount of not exceeding Baht 1,000 million. The proceeds from this debenture issuance will be used for working capital, investments in projects and repayments of loans from financial institutions. The convertible debentures details are summarised below:

Type of convertible debentures	Senior Unsecured Convertible Debentures
Currency	Thai Baht
Total principal amount	<p>Not exceeding Baht 1,000 million as it can be broken down into 4 tranches as follows:</p> <ol style="list-style-type: none"> 1. Tranche 1 not exceeding Baht 200 million, divided into 20 sets of Baht 10 million per set 2. Tranche 2 not exceeding Baht 250 million, divided into 25 sets of Baht 10 million Baht per set 3. Tranche 3 not exceeding Baht 250 million, divided into 25 sets of Baht 10 million per set 4. Tranche 4 not exceeding Baht 300 million, divided into 15 sets of Baht 20 million per set
Conversion condition	<p>The subsidiary company gradually will issue the Convertible Debentures in order of the Tranche (1- 4) based on the liquidity of the subsidiary company. The issuance shall follow the condition precedent which is approved by the Securities and Exchange Commission and other related regulators including requirements and conditions of such convertible debentures.</p> <p>The timeframe of the conversion is within 3 years after shareholder's meeting approved the issuance. However, if the subsidiary company does not issue all convertible debentures within 3 years, the subsidiary company may request an approval of the shareholders' meeting to issue the unissued convertible debentures depending on the requirement for the subsidiary company's liquidity.</p>
Interest rate	0.50 percent per annum, provided that the interest will be paid on a quarterly basis.
Maturity period	3 years after the issuance of each Tranche.
Payback condition	Repay in lumpsum after each due of specific Tranche according to the term and condition of the Convertible Debenture. In such, for each Tranche the maturity period is not over 3 years after the issuance Convertible Debenture.
Redeem rights before due date	The holders of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date and/or the issuer of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date too. The redemption has to be followed by the terms and conditions of each set aligned with rules, regulations, laws and/or permissions from related authorised Governmental Bodies.

Conversion ratio	Principle amount of the Convertible Debentures dividend by the conversion price.
Conversion price	<p>Not lower than 90 percent of market price which does not in the case the price is lower than the offering price offered pursuant to the Notification No. Tor Chor. 72/2558.</p> <p>The market price shall be calculated based on the weighted average price of the subsidiary company's shares trading on the Stock Exchange of Thailand for at least 7 consecutive business days but not more than 15 consecutive business days prior to the date the debenture holders exercise their conversion rights. The weighted average price is calculated from the average price weighted by the trading volume of each consecutive business days ("Floating Conversion Price")</p> <p>However, if the conversion price calculated above is lower than the par value of the subsidiary company's shares. The subsidiary company must issue additional compensation shares for the calculation of all shares issued at par value is based on the conversion price.</p>
Conversion period	The holder of the Convertible Debentures may exercise their rights of conversion of the Convertible Debentures into the subsidiary company's until the close of business on the date falling 1 week prior to the maturity date of the Convertible Debentures.
Number of ordinary shares reserved for conversion	2,213,029,597 shares (equivalent to 12.9 percent of the total issued shares of the subsidiary company after registering the paid-up capital which are based on the assumption that the Convertible Debentures shall be entirely exercised.)
Secondary market for ordinary shares issued after conversion	The subsidiary company shall arrange to list the ordinary shares issued after the conversion of the Convertible Debentures on the Stock Exchange of Thailand or other stock exchange where the shares of the subsidiary company is a listed security at that time.

On 19 April 2022, the subsidiary company entered into convertible debenture agreement with private placement investors following the approved resolution from the Extraordinary General Meeting of the subsidiary company on 18 March 2022.

Movements of convertible debentures net from convertible debenture expenses for the year ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	37,964	27,632
Convertible debentures	150,000	500,000
Deferred interest expense	(12,000)	(40,000)
Issuing during the period	138,000	460,000
Amortisation of debenture expenses	13,948	39,332
Total	189,912	526,964
Convert during the year	(168,000)	(489,000)
Ending balance	<u>21,912</u>	<u>37,964</u>

The management of the subsidiary Company decided to classify the convertible debentures as financial liabilities since the number of shares required for their redemption will vary with the conversion price and the effective interest rate earned by the debenture holders will be close to the market interest rate or the subsidiary company's finance costs. Moreover, the conversion to share capital will take no more than one year from the date the debentures are issued. Therefore, the value of the financial liabilities is the fair value as at the transaction date and there is, consequently, no remaining embedded derivative.

c) *Increase in share capital of a subsidiary of Samart Digital Public Co., Ltd.*

On 11 November 2022, the meeting of the Extraordinary General Meeting of Shareholders of Siam Sport Television Co., Ltd., which is a subsidiary company held by I-Sport Co., Ltd., is a subsidiary company approved the increase in the subsidiary's share capital by increase its registered capital of Baht 175 million from Baht 60 million to the new registered capital of Baht 235 million by issuing 17.5 million ordinary shares with par value of Baht 10 to be offered to its existing shareholders according to their shareholding ratio. At the offering price of Baht 10 per share, the shares were paid in full on 15 November 2022.

d) Disposal of investment in subsidiary

On 7 December 2023, the Board of Directors' meeting of I-Sport Co., Ltd., a subsidiary company, approved the disposal of the entire investment in the ordinary shares of Siam Sport Television Company Limited to an individual person, who are not connected persons. Subsequently, the subsidiary sold its entire investment in the ordinary shares of Siam Sport Television Company Limited to the above person, comprising 23.5 million shares, for total amount of Baht 0.2 million at a mutually agreed price as stipulated in the agreement. The subsidiary registered the share transfer and received the payment in full on 25 December 2023.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	For the period ended
	25 December 2023
Proceeds from disposal of investment	235
Less: Cash and cash equivalents at disposal date	(3,056)
Net cash inflows from disposal of investment	(2,821)
Less: Net assets excepted cash and cash equivalents at disposal date	4,064
Gain from disposals of investment	1,243

16.7 Changes in investment in Samart Aviation Solutions Public Company Limited

During 15 - 20 September 2023, the subsidiary company made an initial public offering of 166 million ordinary shares with a par value of Baht 0.50 each, at an offering price of Baht 19 per share, consisting of 102 million existing ordinary shares offered by Samart Inter Holding Company Limited and 64 million newly issued ordinary shares, amounting to Baht 1,938 million and Baht 1,216 million, respectively. Subsequently on 21 September 2023, the subsidiary company has received full payment of the newly issued shares and then registered the increase of its issued and paid-up share capital from Baht 288 million (576 million ordinary shares with a par value of Baht 0.50 each) to Baht 320 million (640 million ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce on 21 September 2023. The Stock Exchange of Thailand approved 640 million ordinary shares as listed securities, with trading permitted on 26 September 2023. During the year, the Company additionally invested in the subsidiary of Baht 18.5 million.

17. Investment properties

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	84,636	84,636	-	-
Right-of-use assets under sublease agreements	-	-	79,193	90,649
Total	84,636	84,636	79,193	90,649

Movements of the investment properties account during the year ended 31 December 2023 and 2022 were summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	84,636	84,636	90,649	97,962
Loss on revaluation of investment properties (Note 34)	-	-	(11,456)	(7,313)
Balance at end of year	84,636	84,636	79,193	90,649

Fair value arranged to appraise the value of certain assets. The basis of the revaluation was as follows:

- Land for sale were revalued using the market approach
- Right-of-use assets under sublease agreements has been determined based on the valuation performed by an accredited independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below.

	Separate		Result to fair value where as an increase in assumption value
	financial statements		
	<u>2023</u>	<u>2022</u>	
Vacancy rate (%)	100	100	-
Discount rate (% per annum)	7.7	7.7	Decrease in fair value
Growth rate (% per annum)	5	5	Increase in fair value

18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	Total
Cost/Revalued amount							
31 December 2021	597,283	374,493	2,024,058	11,259,607	202,089	4,554,807	19,012,337
Additions	-	1,179	10,413	50,219	3,961	1,276,174	1,341,946
Transfer in (transfer out)	-	-	47,122	3,713,223	43,623	(3,858,985)	(55,017)
Disposals and write off	-	-	(14,131)	(2,487)	(1,305)	(419)	(18,342)
Capitalised borrowing cost	-	-	-	-	-	16,232	16,232
Translation adjustments	110	303	1,946	1,783	788	-	4,930
31 December 2022	597,393	375,975	2,069,408	15,022,345	249,156	1,987,809	20,302,086
Additions	-	571	12,466	28,703	4,544	370,175	416,459
Transfer in (transfer out)	-	-	(14,335)	893,612	3,449	(952,411)	(69,685)
Disposals and write off	-	-	(11,061)	(159,757)	(5,258)	(5,547)	(181,623)
Decrease from disposal of investment in subsidiary	-	-	(27,013)	(217,272)	(6,976)	-	(251,261)
Translation adjustments	(33)	(90)	(734)	(566)	(231)	(32)	(1,686)
31 December 2023	597,360	376,456	2,028,731	15,567,065	244,684	1,399,994	20,214,290
Accumulated depreciation							
31 December 2021	-	315,821	1,917,615	10,365,729	184,450	-	12,783,615
Depreciation for the year	-	8,680	41,603	522,833	8,424	-	581,540
Transfer in (transfer out)	-	-	26,940	(6,479)	43,001	-	63,462
Accumulated depreciation on disposals and write off	-	-	(10,042)	(2,480)	(1,305)	-	(13,827)
Translation adjustments	-	303	1,482	280	652	-	2,717
31 December 2022	-	324,804	1,977,598	10,879,883	235,222	-	13,417,507
Depreciation for the year	-	7,086	26,463	713,448	5,724	-	752,721
Transfer in (transfer out)	-	-	(539)	539	3,449	-	3,449
Accumulated depreciation on disposals and write off	-	-	(11,025)	(159,724)	(5,258)	-	(176,007)
Decrease from disposal of investment in subsidiary	-	-	(26,963)	(215,072)	(6,976)	-	(249,011)
Translation adjustments	-	(90)	(624)	(184)	(241)	-	(1,139)
31 December 2023	-	331,800	1,964,910	11,218,890	231,920	-	13,747,520
Allowance for impairment loss							
31 December 2021	-	7,680	16,131	190,477	-	15,203	229,491
Increase (decrease) during the year	-	-	-	392,989	-	(970)	392,019
Translation adjustments	-	-	4	-	-	-	4
31 December 2022	-	7,680	16,135	583,466	-	14,233	621,514
Increase (decrease) during the year	-	-	-	(304,090)	-	698,599	394,509
31 December 2023	-	7,680	16,135	279,376	-	712,832	1,016,023
Net book value							
31 December 2022	597,393	43,491	75,675	3,558,996	13,934	1,973,576	6,263,065
31 December 2023	597,360	36,976	47,686	4,068,799	12,764	687,162	5,450,747
Depreciation for the year							
2022 (Baht 529 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							581,540
2023 (Baht 718 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							752,721

(Unit: Thousand Baht)

Separate financial statements

	Separate financial statements							Total
	Revaluation	Cost basis						
	basis	Buildings and	Office	Tools and	Equipment and		Assets under	
	Land	improvement	equipment	equipment	system	vehicles	installation	
Cost/Revalued amount								
31 December 2021	235,555	195,424	557,721	131,314	-	34,978	1,713,887	2,868,879
Additions	-	-	464	1,209	355	-	45,118	47,146
Transfer in (transfer out)	-	-	30,972	22	1,769,335	6,898	(1,772,471)	34,756
Disposals	-	-	(25)	(14)	-	-	(234)	(273)
Capitalised borrowing cost	-	-	-	-	-	-	16,232	16,232
31 December 2022	235,555	195,424	589,132	132,531	1,769,690	41,876	2,532	2,966,740
Additions	-	279	706	554	2,321	1,347	10,683	15,890
Transfer in (transfer out)	-	-	-	21	2,323	-	(2,532)	(188)
Disposals	-	-	-	(143)	-	-	-	(143)
31 December 2023	235,555	195,703	589,838	132,963	1,774,334	43,223	10,683	2,982,299
Accumulated depreciation								
31 December 2021	-	172,574	541,151	125,944	-	34,761	-	874,430
Depreciation for the year	-	2,921	6,379	2,040	146,209	120	-	157,669
Accumulated depreciation on transfer-in	-	-	27,858	-	-	6,898	-	34,756
Accumulated depreciation on disposals	-	-	(22)	(13)	-	-	-	(35)
31 December 2022	-	175,495	575,366	127,971	146,209	41,779	-	1,066,820
Depreciation for the year	-	2,751	5,743	2,075	209,983	122	-	220,674
Accumulated depreciation on disposals	-	-	-	(143)	-	-	-	(143)
31 December 2023	-	178,246	581,109	129,903	356,192	41,901	-	1,287,351
Net book value								
31 December 2022	235,555	19,929	13,766	4,560	1,623,481	97	2,532	1,899,920
31 December 2023	235,555	17,457	8,729	3,060	1,418,142	1,322	10,683	1,694,948
Depreciation for the year								
2022 (Baht 146 million included in cost of services and the balance in selling and administrative expenses)								157,669
2023 (Baht 210 million included in cost of services and the balance in selling and administrative expenses)								220,674

- a) The Group arranged for an independent professional valuer to appraise the value of land in 2019, using the market comparison approach.

Had the land carried in the financial statements on a historical cost basis, their net book value as of 31 December 2023 and 2022 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	124,192	124,192	87,649	87,649

- b) As at 31 December 2023, the Company had construction in process of Baht 10.7 million (2022: Baht 2.5 million). The Company used loan from bank for installation of machinery and equipment in during the year ended 31 December 2022 and capitalised borrowing cost as cost of assets of Baht 16 million (2023: Nil), which was calculated from interest rate at MLR minus fixed rate per annum.
- c) As at 31 December 2023, certain items of building and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 12,926 million and Separate financial statements: Baht 888 million (2022: Baht 12,930 million and Separate financial statements: Baht 874 million).
- d) Cambodia Air Traffic Services Co., Ltd., a subsidiary company, received some of the equipment transferred from The State Secretariat of Civil Aviation of Cambodia ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia. The subsidiary company must return all equipment to SSCA at the end of the contract. Currently the above equipment are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, as described in Note 43.5 a) to consolidated financial statements.
- e) As at 31 December 2023, Samart Digital Group had allowance for impairment loss of equipment amounting to Baht 804 million (2022: Baht 402 million).

During the year 2023, Samart Digital Public Co., Ltd., a subsidiary company assessed the recoverable amount of its equipment for the Digital Trunked Radio System (DTRS) with total cost as at 31 December 2023 amounting to Baht 3,322 million, services based on its value in use through the discounted future cash flows. The resulting recoverable amount is lower than its carrying value due to an anticipated decrease in the number of users. The subsidiary therefore recognised an additional impairment loss on equipment during the year amounting to Baht 403 million. As at 31 December 2023, the subsidiary had an allowance for impairment loss on equipment amounting to Baht 796 million. Although the Group has conducted an evaluation and exercised its best estimate, there remains an uncertainty about potential changes in situations and technologies, which is typical for future events that have yet to occur.

The key assumption used in the calculation of value in use was a pre-tax discount rate of 12 percent per annum.

19. Leases

The group as a lessee

The group has lease contracts for various items of building and improvement, equipment and motor vehicles used in its operations. Leases generally have lease terms between 3 - 10 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Buildings and building improvement	Equipment	Motor vehicles	Total
As at 31 December 2021	151,053	188,338	54,121	393,512
Increase	56,858	99,626	217	156,701
Transfer to motor vehicles	-	-	(621)	(621)
Depreciation for the year	(39,569)	(61,747)	(18,742)	(120,058)
Allowance for impairment loss	-	(77,292)	-	(77,292)
As at 31 December 2022	168,342	148,925	34,975	352,242
Increase (decrease)	(7,338)	554	224	(6,560)
Reversal of impairment loss on right-of-use assets	-	77,292	-	77,292
Write-off	-	(111,964)	(513)	(112,477)
Depreciation for the year	(37,854)	(35,305)	(13,853)	(87,012)
As at 31 December 2023	123,150	79,502	20,833	223,485

	(Unit: Thousand Baht)		
	Separate financial statements		
	Buildings and building improvement	Motor vehicles	Total
As at 31 December 2021	47,628	15,628	63,256
Increase	28,721	-	28,721
Depreciation for the year	(14,284)	(5,189)	(19,473)
As at 31 December 2022	62,065	10,439	72,504
Increase	1,287	869	2,156
Depreciation for the year	(14,557)	(4,694)	(19,251)
As at 31 December 2023	48,795	6,614	55,409

During the year 2022, Siam Sport Television Co., Ltd., a subsidiary of Samart Digital Public Co., Ltd., recognised an impairment loss on equipment of Baht 77 million to reduce the carrying amount of the assets because of the uncertainty surrounding the long-term service agreement with an agency.

Subsequently, on 15 December 2023, the subsidiary has proposed that another company (which is not a related company) become the new buyer therefore the subsidiary company reversed the allowance for impairment of assets of Baht 77 million.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	189,290	269,063	38,087	50,924
Less: Deferred interest expenses	(14,365)	(26,519)	(1,761)	(3,339)
Total	174,925	242,544	36,326	47,585
Less: Portion due within one year	(63,100)	(60,693)	(14,246)	(12,851)
Lease liabilities - net of current portion	<u>111,825</u>	<u>181,851</u>	<u>22,080</u>	<u>34,734</u>

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	242,544	169,594	47,585	34,336
Additions (decrease)	(6,775)	145,484	2,156	28,721
Accretion of interest	10,402	17,757	1,684	1,830
Repayments	(71,246)	(90,291)	(15,099)	(17,302)
Balance at end of year	<u>174,925</u>	<u>242,544</u>	<u>36,326</u>	<u>47,585</u>

A maturity analysis of lease payments is disclosed in Note 45 to consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of				
right-of-use assets	87,012	120,058	19,251	19,473
Interest expense on lease liabilities	10,402	17,757	1,684	1,830
Expense relating to short-term leases	2,828	1,838	144	144
Expense relating to leases of				
low-value assets	524	661	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 75 million (2022: Baht 93 million) (Separate financial statements: Baht 15 million (2022: Baht 17 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

20. Goodwill

Mainly of Goodwill was arising from the Company bought shares of Samart Digital Public Co., Ltd. and Cambodia Air Traffic Services Co., Ltd. and Samart Telcoms Public Co., Ltd., a subsidiary company, bought shares of Portalnet Co., Ltd.

The Group has determined recoverable amounts of their cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering 5 - 20 years, which some of them are based on the contract period.

Key assumptions used in value in use calculations summarise as follows:

	(Unit: Percent per annum)	
	<u>2023</u>	<u>2022</u>
Growth rate	0 - 3	0 - 1.8
Discount rate	8 - 11	6 - 12

The management has considered the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which are the pre-tax rates that reflects the specific risk of the particular operating segment.

During the year 2022, the Company recognised an impairment loss on goodwill amounting to Baht 96 million, arising from the purchase of shares of Samart Digital Public Co., Ltd., a subsidiary. In addition, I-Sport Co., Ltd., a subsidiary of Samart Digital Public Co., Ltd., a subsidiary, recognised an impairment loss on goodwill amounting to Baht 59 million, arising from the purchase of shares of Siam Sport Television Co., Ltd., due to uncertainty surrounding the future of the entering into an alliance the long-term service agreement.

21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Service concession	Computer software	Right for telecommunication tower service	Total
Cost				
31 December 2021	1,506,515	737,472	119,332	2,363,319
Additions	111,135	2,824	-	113,959
Disposal	-	(139)	-	(139)
Transfer in	-	10	-	10
Transfer out	-	(22)	-	(22)
Translation adjustments	54,058	5,305	-	59,363
31 December 2022	1,671,708	745,450	119,332	2,536,490
Additions	192,307	62,674	3,515	258,496
Disposal	-	(48)	-	(48)
Transfer in	-	1,928	-	1,928
Transfer out	(346)	-	-	(346)
Translation adjustments	(18,637)	(1,574)	-	(20,211)
31 December 2023	1,845,032	808,430	122,847	2,776,309
Accumulated amortisation				
31 December 2021	671,304	609,089	41,265	1,321,658
Amortisation during the year	56,009	35,377	14,329	105,715
Accumulated amortisation on write-off	-	(39)	-	(39)
Transfer out	-	(12)	-	(12)
Translation adjustments	23,403	4,972	-	28,375
31 December 2022	750,716	649,387	55,594	1,455,697
Amortisation during the year	47,881	41,870	15,483	105,234
Accumulated amortisation on write-off	-	(15)	-	(15)
Translation adjustments	(8,638)	(1,416)	-	(10,054)
31 December 2023	789,959	689,826	71,077	1,550,862
Allowance for impairment loss				
31 December 2022	-	31,218	-	31,218
Increase	-	5,947	-	5,947
31 December 2023	-	37,165	-	37,165
Net book value				
31 December 2022	920,992	64,845	63,738	1,049,575
31 December 2023	1,055,073	81,439	51,770	1,188,282

	(Unit: Thousand Baht)
	Separate financial statements
	Computer software
Cost	
31 December 2021	58,957
Addition	89
Transfer in	10
Transfer out	(22)
31 December 2022	59,034
Addition	40
31 December 2023	59,074
Accumulated amortisation	
31 December 2021	29,515
Amortisation during the year	5,899
Transfer out	(12)
31 December 2022	35,402
Amortisation during the year	5,907
31 December 2023	41,309
Net book value	
31 December 2022	23,632
31 December 2023	17,765

Service concession

Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has service concession arrangement which can be summarised as follows:

Name of concession:	Contract to build, cooperate and transfer on air traffic control system (BCT contract)
Description of arrangement:	To develop and sole operate of the civil air traffic control and navigation system of Cambodia
Period of concession:	49 years expire in the year 2051
Significant conditions:	The subsidiary company is obliged to pay a fee to the Royal Government of the Kingdom of Cambodia based on its revenue. In addition, the subsidiary company has to transfer the ownership of the civil air traffic control, navigation system and all equipment to the Kingdom of Cambodia at the end of concession period without charge.

Right for telecommunication tower service

On 1 September 2017, Samart Digital Public Company Limited, a subsidiary company, purchased shares of Thai Base Station Co., Ltd., another subsidiary company, with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for telecommunication tower service as intangible assets with ten years useful lives. In addition, Thai Base Station Co., Ltd., a subsidiary company, has transferred telecommunication tower to Department of National Parks, Wildlife and Plant Conservation. As a result, the subsidiary company recorded the right for telecommunication tower service as intangible assets with agreement term useful lives.

22. Bank overdrafts and short-term loans from financial institutions

					(Unit: Thousand Baht)	
	Interest rate (percent per annum)	Consolidated		Separate		
		financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bank overdrafts	MOR	MOR	63,060	65,188	-	-
Short-term loans from financial institutions	MMR	MMR	2,234,647	3,050,539	450,000	1,184,400
Trust receipts	MMR	MMR	108,330	24,951	98,667	-
Total			2,406,037	3,140,678	548,667	1,184,400

- Bank overdrafts of the subsidiaries are secured by the pledge of certain bank deposits of the subsidiaries.
- Short-term loans from financial institutions of the subsidiaries are secured by cross-guarantee by the Group, guarantee by Siam Sport Syndicate Public Co., Ltd. (another shareholder) and transfer and assign of right over collection of any contract/project as specified in loan agreements.
- Short-term loans from financial institutions of the Company are secured by the pledge of some shares of Samart Aviation Solutions Public Co., Ltd., a subsidiary company held by Samart U-Trans Co., Ltd. another subsidiary company, of 100 million shares, as stipulated in the loan agreement. On 26 September 2023, the Company repaid the short-term loans and regained possession of the pledge shares.

In addition, short-term loan agreements with banks of the Group contain certain conditions as specified in the agreements that require the Group to comply.

23. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - related parties (Note 6)	-	-	116,497	117,390
Trade payables - unrelated parties	<u>1,246,046</u>	<u>1,442,165</u>	<u>150,717</u>	<u>353,337</u>
Total trade payables	<u>1,246,046</u>	<u>1,442,165</u>	<u>267,214</u>	<u>470,727</u>
Other payables				
Other payables - related parties	6,595	4,502	740	1,053
Accrued interest expenses to related parties	<u>-</u>	<u>-</u>	<u>45,414</u>	<u>22,529</u>
Total other payables and accrued interest expenses - related parties (Note 6)	<u>6,595</u>	<u>4,502</u>	<u>46,154</u>	<u>23,582</u>
Other payables - unrelated parties	315,781	269,488	14,976	9,660
Accrued expenses	302,214	322,613	16,277	16,052
Accrued interest expenses to unrelated parties	<u>15,611</u>	<u>23,632</u>	<u>13,119</u>	<u>14,248</u>
Total other payables	<u>640,201</u>	<u>620,235</u>	<u>90,526</u>	<u>63,542</u>
Total trade and other payables	<u>1,886,247</u>	<u>2,062,400</u>	<u>357,740</u>	<u>534,269</u>

24. Short-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term loans from related parties (Note 6)	-	-	587,545	942,326
Short-term loans from unrelated parties	<u>10,379</u>	<u>12,708</u>	<u>-</u>	<u>-</u>
Total short-term loans	<u>10,379</u>	<u>12,708</u>	<u>587,545</u>	<u>942,326</u>

Short-term loans from unrelated parties

Short-term loan as at 31 December 2023 amounting Baht 10.4 million (2022: Baht 12.7 million) from Siam Sport Syndicate Public Co., Ltd., carries interest at the average 12-month fixed deposit rate of the big five commercial banks plus 0.5 percent per annum.

25. Debentures

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2023</u>	<u>2022</u>
Debentures	1,672,168	1,669,389
Less: Current portion of debentures	-	-
Debentures - net of current portion	<u>1,672,168</u>	<u>1,669,389</u>

Movements in the debentures account for the years ended 31 December 2023 and 2022 were as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	1,669,389	1,199,377
Add: Debentures issued during the year	-	1,675,300
Amortisation of transaction costs for debenture issuance during the year	2,779	4,089
Less: Redemption of debentures during the year	-	(1,201,000)
Transaction costs	-	(8,377)
Ending balance	<u>1,672,168</u>	<u>1,669,389</u>

Debentures are unsubordinated, unsecured debentures with registered name and carried fixed interest rate of 4.25 percent per annum, quarterly repayments, as stipulated in each debenture with fully principal repayment in January 2025.

26. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2023 and 2022 were summarised below.

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2023 (Thousand Baht)	2022 (Thousand Baht)	2023 (Thousand Baht)	2022 (Thousand Baht)
The Company								
1.	1,101	Repayment of principal in 60 monthly installments with the first installment in September 2022, until 31 August 2027. The interest is to be paid on monthly basis. - Installment 1-59: Baht 18.44 million each - Installment 60: The remaining principal and interest	As assignment of the right to receive the payments for such the project to enhance collection of excise tax on local beer.	MLR minus fixed rate per annum	801,307	1,019,704	801,307	1,019,704
2.	400	Repayment of principal in 9 quarterly installments within April 2024, beginning in June 2022. - Installment 1-8: Not less than Baht 45 million each - Installment 9: Repayment of loan principal of Baht 40 million and the remaining interest Fully repayment of loan on 26 September 2023	Ordinary shares of Samart Telcoms Public Co., Ltd., a subsidiary company, of 155 million shares.	MLR minus fixed rate per annum	-	309,175	-	309,175
3.	67	Repayment of principal in 10 quarterly installments within December 2023, beginning in September 2021. The interest is to be paid on monthly basis. - Installment 1 - 6: Not less than Baht 5 million each - Installment 7 - 9: Not less than Baht 10 million each - Installment 10: Repayment of loan principal, not less than of Baht 7 million Fully repayment of loan on 26 September 2023	-	Fixed rate per annum	-	36,977	-	36,977

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2023	2022	2023	2022
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Subsidiaries</u>								
Samart Digital Public Co., Ltd.								
4.	493	Repayment of the first installment in March 2018, with quarterly payment of principal and monthly payment of interest to be completed within 25 installments (within January 2024). - Installment 1 - 4: Baht 0.05 million each - Installment 5 - 8: Baht 7.4 million each - Installment 9: Baht 7.4 million in March 2020 Baht 12.3 million in May 2020 - Installment 10 - 14: Only interest - Installment 15: Baht 8.87 million - Installment 16: Baht 4.9 million in December 2021 Baht 2.5 million in January 2022 - Installment 17 - 23: Baht 7.4 million each - Installment 24: December 2023 : Baht 52.2 million - Installment 25: January 2024 : The remaining principal and interest	-	MLR minus fixed rate per annum	263,355	337,753	-	-

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2023	2022	2023	2022
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
5.	359	Repayment on a quarterly basis within January 2025. - Year 2018: quarterly installments of Baht 0.04 million - Year 2019: quarterly installments of Baht 5.4 million - Year 2020: quarterly installments of Baht 14.3 million (June 2020: moratorium on principal payment) - Year 2021: March : moratorium on principal payment June : Baht 1.08 million September : Baht 5.38 million December : Baht 5.38 million - Year 2022: quarterly installments of Baht 5.38 million each - Year 2023: March : Baht 5.38 million June : Baht 5.38 million September : Baht 5.38 million December : principal at least Baht 38.01 million - Year 2024: quarterly installments of Baht 5.38 million each - Year 2025: The remaining of principal of Baht 170.18 million	-	MLR minus fixed rate per annum	191,715	245,875	-	-

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2023	2022	2023	2022
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
6.	200	Repayment on a quarterly basis in 22 installments in March 2024. - Installment 1: Baht 0.02 million - Installment 2 - 5: Baht 3 million each - Installment 6: Baht 3.3 million - Installment 7 - 10: moratorium on principal payment - Installment 11: Baht 0.6 million - Installment 12 - 20: Baht 3 million each - Installment 21: Baht 3 million - Installment 22: The remaining principal and interest	-	MLR minus fixed rate per annum	106,872	137,053	-	-
7.	194	Repayment on a quarterly basis in 26 installments within 30 December 2025. - Installment 1 - 2: Baht 3 million each - Installment 3: March 2020 : Baht 3 million April 2020 : Baht 4.98 million - Installment 4 - 8: moratorium on principal payment - Installment 9: Baht 3.6 million - Installment 10 - 11: moratorium on principal payment - Installment 12: Baht 7 million - Installment 13: Baht 5 million - Installment 14 - 17: Baht 3 million each - Installment 18: December 2023 : Baht 21.18 million - Installment 19: Baht 9.9 million - Installment 20 - 21: Baht 12.09 million each - Installment 22 - 25: Baht 15.91 million each - Installment 26: The remaining principal and interest	-	MLR of a bank minus fixed rate per annum	106,837	137,020	-	-

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2023	2022	2023	2022
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
8.	2,034	Repayment on a quarterly basis in 12 installments within 31 January 2024, the first installment in last business day of June 2021. - Installment 1: Baht 6.6 million - Installment 2 - 10: Baht 33 million each - Installment 11: Baht 333 million - Installment 12: The remaining principal and interest	-	MLR minus fixed rate per annum	1,175,215	1,507,215	-	-
9.	180	Repayment on a quarterly basis in 14 installments within 31 January 2024, the first installment in last business day of December 2020. - Installment 1: Baht 24.32 million - Installment 2 - 3: moratorium on principal payment - Installment 4: Baht 3.6 million - Installment 5 - 12: Baht 3 million each - Installment 13: December 2023 : Baht 21.20 million - Installment 14: January 2024 : The remaining principal and interest	-	MLR minus fixed rate per annum	106,824	137,025	-	-
Vision and Security System Co., Ltd.								
10.	286	The loan principal is repayable on a monthly basis by 41 installments, beginning by the earlier of commencing in 7-month from the agreement date (29 November 2022) or the subsidiary receives the right assignment.	As assignment of the right to receive service fees from the installation (Phase 2) CCTV project.	MLR minus fixed rate per annum	209,400	143,400	-	-

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2023	2022	2023	2022
				(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Samart Aviation Solutions Public Co., Ltd. and Cambodia Air Traffic Services Co., Ltd.								
11.	2,161 (USD 66 million)	Repayment on three-month period basis by 28 installments commencing in May 2018. - Installment 1 - 4: USD 1.13 million each - Installment 5 - 10: USD 1.51 million each - Installment 11 - 18: Moratorium on principal payment - Installment 19: USD 1.74 million - Installment 20: USD 2.26 million - Installment 21 - 22: USD 3.39 million each - Installment 23: Repayment of loan principal of USD 24.81 million and the remaining interest - Fully repayment of loan on 11 October 2023	Ordinary shares of Cambodia Air Traffic Services Co., Ltd., a subsidiary company, of 1 million shares of USD 10 each and certain assets	LIBOR 3-month plus fixed rate per annum	-	1,169,765	-	-
Total long-term loans from financial institutions					2,961,525	5,180,962	801,307	1,365,856
Less: Current portion					(2,260,834)	(3,495,194)	(219,016)	(479,642)
Long-term loans - net of current portion					700,691	1,685,768	582,291	886,214

Movements in the long-term loans account during the years ended 31 December 2023 and 2022 summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	5,180,962	5,461,606	1,365,856	1,545,879
Add: Additional borrowing	143,000	143,400	-	-
Front end fee	3,648	4,717	3,648	4,717
Less: Repayment	(2,393,901)	(471,495)	(568,197)	(183,740)
Amortisation of front end fee	-	(1,000)	-	(1,000)
Translation adjustments	27,816	43,734	-	-
Ending balance	<u>2,961,525</u>	<u>5,180,962</u>	<u>801,307</u>	<u>1,365,856</u>

- a) Under the loan agreement of the Company, the Company has to comply with certain conditions stipulated in the agreement, such as maintaining a shareholding percentage, maintaining financial ratios.
- b) Under Samart Digital Public Co., Ltd., a subsidiary company's loan agreement and memorandum, the subsidiary company must comply with certain conditions stipulated in the agreement such as to maintain a shareholding percentage of the subsidiary, to maintain financial ratios.

The subsidiary company has engaged in negotiations with financial institutions to amend the terms and extend the repayment period for its long-term loans totaling Baht 299 million. The loan repayments have been extended from December 2023 and January 2024 to March 2024 and January 2025, amounting to Baht 107 million and Baht 192 million, respectively. The amendments were approved by the financial institutions in 2023. In addition, the subsidiary company has successfully negotiated an adjustment of terms and an extension of the due date for a long-term loan amounting to Baht 1,439 million. The original due date, initially set for the first quarter of 2024, has been extended to January 2025, and this extension was duly approved by the financial institution in January 2024. However, the subsidiary company has not obtained approval from a financial institution to amend the terms and extend the maturity date of the long-term loan of Baht 107 million, scheduled for repayment in January 2024. The subsidiary company is currently in the process of negotiating with the financial institution to align the payment terms with the cash flows received from the new business that is within the subsidiary company's expertise and experience.

Furthermore, in December 2023, the subsidiary company repaid the loan to the Company, in accordance with the agreement, covering both the principal and accrued interest, amounting to a total of Baht 436 million. The subsidiary company has negotiated to alleviate the repayment conditions of the Subordinated Loan by committing to repay a loan amount not exceeding the sum that the parent company will invest in additional shares of the Company. The financial institutions have duly signed and acknowledged this arrangement.

Upon considering compliance with the conditions specified in the agreements, it was noted that the subsidiary was unable to maintain a shareholding percentage. And upon reviewing the Subsidiary's financial statements as of 31 December 2023, it was noted that the Subsidiary was unable to maintain the financial ratios as stipulated in the loan agreements with the aforementioned financial institutions. The Subsidiary has classified these loans as current portion. However, the subsidiary expects to receive waivers from the financial institutions. In addition, the Company issued a Letter of Intent committing to continue providing financial support to the subsidiary. The negotiation outcome depends on the consideration for approval by the financial institutions. However, base on past experience, the subsidiary has always received approval from the financial institutions for the amendment of the conditions and extension of the repayment periods of long-term loans.

- c) Under loan agreement of Samart Aviation Solution Public Co., Ltd. and its subsidiaries (Samart Aviation Group), the subsidiary company, Samart Aviation Group has to comply with the conditions as stipulated in the agreement, such as maintaining of certain financial ratios.

On 25 September 2023, the subsidiary issued a notification to the financial institution, requesting to repay the remaining loan balance of USD 24.8 million in which the subsidiary fully repaid this long-term loan on 11 October 2023.

27. Provisions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	763,118	225,147	429,150	1,247
Increase during the year	152,267	651,876	9,500	428,763
Utilised	(78,085)	(86,088)	(387)	(860)
Reversal of provisions	(22,224)	(29,898)	-	-
Translation adjustments	(2,716)	2,081	-	-
Balance at end of year	<u>812,360</u>	<u>763,118</u>	<u>438,263</u>	<u>429,150</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Provision				
Current	111,278	107,937	-	387
Non-current	701,082	655,181	438,263	428,763
	<u>812,360</u>	<u>763,118</u>	<u>438,263</u>	<u>429,150</u>

Warranties

The Group recognised a provision for expected warranty claims on products and equipment of the contract, based on past experience of the level of repairs. The Group expected most of these costs to be incurred in the next financial year and all to have been incurred within the remaining warranty periods. In calculating the provision for warranties, the Group applied assumptions, based on current contract levels and current information available for all types of contract about warranties of products and equipment and changes in technology.

Long-term provision of litigation and commercial disputes

The Group recognised a long-term provision of litigation and commercial disputes as described in Note 43.6 in accordance with the accounting principle of conservatism, this does not affect the Company's legal rights and does not waive those rights.

Long-term provision under service concession

Cambodia Air Traffic Services Co., Ltd., the subsidiary company recognised long-term provision under service concession based on the best estimate provided by the management for the costs to be incurred on the existing concession assets under the subsidiary company's contractual obligations pursuant to the BCT Agreement with The Cambodian State Secretariat of Civil Aviation ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia.

28. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unearned revenue	670,359	488,585	265	260
Undue output tax	111,904	118,705	10,995	25,819
Value added tax payable	24,532	11,095	-	-
Others	48,973	45,923	2,937	1,811
Total	<u>855,768</u>	<u>664,308</u>	<u>14,197</u>	<u>27,890</u>

29. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	2023	<u>2022</u>
Provision for long-term employee				
benefits at beginning of year	310,041	304,471	51,669	47,763
Included in profit or loss:				
Current service cost	24,028	23,661	1,999	1,919
Interest cost	7,146	5,036	983	587
Past service cost	(38)	(5,560)	-	-
Reversal from disposal of investment in subsidiary	(5,509)	-	-	-
Increase from employee transferal	-	-	-	2,040
Gain on benefit settlement	-	(1,591)	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	6,340	-	197
Financial assumptions changes	-	(21,532)	-	(2,817)
Experience adjustments	-	16,499	-	2,134
Reversal from disposal of investment in subsidiary	2,959	-	-	-
Benefits paid during the year	(27,955)	(18,085)	(3,039)	(154)
Unrealised loss (gain) on exchange	143	(280)	-	-
Translation adjustments	(183)	1,082	-	-
Provision for long-term employee				
benefits at end of year	<u>310,632</u>	<u>310,041</u>	<u>51,612</u>	<u>51,669</u>

The Group expects to pay Baht 22 million of long-term employee benefits during the next year (Separate financial statements: Baht 8 million) (2022: Baht 15 million (Separate financial statements: Baht 3 million)).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 4 - 35 years (Separate financial statements: 7 years) (2022: 4 - 35 years (Separate financial statements: 7 years)).

Key actuarial assumptions are summarised below.

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Discount rate	1.8 - 4.9	1.8 - 4.9	2.2	2.0
Salary increase rate	3.0 - 4.5	3.0 - 4.5	3.0 - 4.5	3.0 - 4.5
Turnover rate	0 - 24.0	0 - 24.0	0 - 24.0	0 - 24.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 were summarised below.

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Discount rate	(19.6)	(20.5)	22.0	23.2	(2.2)	(2.5)	2.4	2.7
Salary increase rate	24.6	22.8	(22.1)	(20.6)	2.8	2.7	(2.6)	(2.2)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Turnover rate	(20.5)	(18.8)	23.6	21.6	(1.9)	(1.7)	2.1	1.9

30. Share capital and warrant

30.1 Share capital

On 22 April 2022, the Ordinary General Meeting of shareholders of the Company passed a resolution to approve a decrease of Baht 336 million in the Company's registered capital, from Baht 1,510 million to Baht 1,174 million, by cancelling 336 million ordinary shares with a par value of Baht 1 per share, and an amendment to Clause 4 of the Memorandum of Association to reflect the decrease in the Company's registered capital.

Registered share capital

	Consolidated financial statements/ Separate financial statements		Registration date with the Ministry of Commerce
	Number of ordinary shares (Shares)	Amount (Baht)	
Balance as at 31 December 2021	1,509,755,864	1,509,755,864	26 April 2022
Decrease in registered share capital	(335,501,070)	(335,501,070)	
Balance as at 31 December 2022	1,174,254,794	1,174,254,794	
Balance as at 31 December 2023	1,174,254,794	1,174,254,794	

30.2 Warrants

On 27 April 2021, the ordinary general meeting of shareholders of the Company passed a resolutions to approve the issue and offering of warrants representing the right to purchase the newly issued ordinary shares No. 3 (SAMART-W3) to the existing shareholders proportionate to their respective shareholdings (Right offering) in the amount of not exceeding 168 million units, without any cost at the ratio of 6 existing shares to 1 warrant. The warrants have a period of 3 years from the first issuance date. The exercise ratio is 1 warrant:1 share, with an exercise price of Baht 10 each, which may be adjusted pursuant to the conditions for the adjustment of the rights. The warrants can be exercised on the last business day of every 6 months from the issuance date of SAMART-W3 throughout the term of the warrants. The first exercise date is on 30 November 2021.

As at 31 December 2023 and 2022, the Company has outstanding unexercised warrants SAMART-W3 of 167.7 million units:

31. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment. At present, the statutory reserve has fully been set aside.

32. Revenue from contracts with customers

32.1 Disaggregated revenue information

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Type of revenue:				
Revenues from sales	160	765	501	166
Revenues from contract work	5,062	4,250	-	-
Service income	4,917	4,005	890	620
Total revenue from contracts with customers	<u>10,139</u>	<u>9,020</u>	<u>1,391</u>	<u>786</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	160	765	501	166
Revenue recognised over time	9,979	8,255	890	620
Total revenue from contracts with customers	<u>10,139</u>	<u>9,020</u>	<u>1,391</u>	<u>786</u>

32.2 Contract balances

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Contract assets				
Accrued income	3,204,566	2,947,005	100,171	104,642
Retention receivable	322,026	398,641	-	-
Total	3,526,592	3,345,646	100,171	104,642
Less: Allowance for expected credit losses	(22,732)	(13,685)	-	-
Total contract assets, net	3,503,860	3,331,961	100,171	104,642
Contract liabilities				
Unearned revenue	666,310	483,902	-	-
Total contract liabilities	666,310	483,902	-	-

During the current year, the Group recognised allowance for expected credit losses on contract assets by Baht 9 million (2022: the Group reversed allowance for expected credit losses on contract assets by Baht 2.4 million) (Separate financial statements: Nil (2022: Nil)).

32.3 Revenue recognised in relation to contract balances

(Unit: Million Baht)		
	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in contract liabilities at the beginning of the year	539	336

32.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, revenue totaling Baht 9,034 million (2022: Baht 10,163 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied. The Group expect to satisfy these performance obligations within 5 years (2022: 5 years). The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contract where the revenue is recognised in the amount that the Group has a right to invoice.

32.5 Assets recognised in respect of costs to fulfill a contract with a customer

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	173,733	206,171	6,887	7,507
Additions	91,667	107,452	-	-
Transfer to cost	(155,658)	(139,890)	(889)	(620)
Net book value at end of year	<u>109,742</u>	<u>173,733</u>	<u>5,998</u>	<u>6,887</u>

32.6 Estimation of penalty from project delay

Samart Telcoms Public Company Limited's group

On 26 July 2022, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to purchase communication linkage equipment, including installation, for increasing the efficiency of the government sector's data communication network. The subsidiary is contractually obliged to complete the installation and deliver the equipment within 180 days from the agreement date until 22 January 2023. Failure to meet the specified deadlines will result in penalty, which the government agency, as the contract counterparty, will calculate from the day after each delivery deadline until the works have been delivered properly. The subsidiary company anticipates potential delays in delivering the equipment to the government agency due to the distributor's inability to supply the equipment to the subsidiary company. However, the subsidiary has delivered the equipment to the government agency on 21 April 2023. Subsequently, on 25 August 2023, the government agency has already passed the work acceptance and has summarised the results of the fine assessment, amounting to Baht 2.3 million. On 31 December 2023, the subsidiary company made adjustments to the previously estimated fine amounts (2022: Baht 2.6 million).

33. Other income

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gain on disposals of listed equity investments at fair value through profit or loss (Note 13)	-	3,401	-	841
Gain on disposal of investment in subsidiary (Note 16)	1,243	-	-	-
Management fee income (Note 6)	-	-	68,689	68,887
Gain on exchange	-	13,535	20,047	-
Gain on change in value of listed equity investments (Note 13)	-	-	-	844
Gain on disposal of right-of-use assets	27,018	-	-	-
Gain on disposal of equipment and intangible	3,330	2,102	5	-
Dividend income from subsidiaries (Note 16)	-	-	2,434,317	47,681
Dividend income from listed equity investment at fair value through profit or loss	49	656	24	328
IT service fee income	-	11,519	48,098	45,599
Gain on compensation received from insurance	6	27	-	-
Income from pursuing a legal case	11,124	247,568	-	-
Others	114,920	118,744	73,123	73,144
Total	<u>157,690</u>	<u>397,552</u>	<u>2,644,303</u>	<u>237,324</u>

On 29 September 2016, Samart Comtech Co., Ltd., a subsidiary, filed a lawsuit with the Central Administrative Court, seeking settlement of a government agency as a trade account receivable and retention receivable that was past due totaling approximately Baht 536 million for providing computer system installation services. Finally, on 29 November 2022, the Supreme Administrative Court affirmed the judgment and ordered such government agency to repay the full amount of debt with interest and court fees to the subsidiary which have been fully received in the year 2023. Therefore, the subsidiary company recorded such interest and fees from the aforementioned legal case as other income totaling of Baht 11 million and Baht 248 million and a reversed allowance for expected credit losses of Baht 8 million and Baht 37 million in the consolidated income statement for the year 2023 and 2022, respectively.

34. Other expenses

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	1,493,000	2,900,000
Loss on long-term provisions	71,100	426,563	9,500	426,563
Loss on impairment of equipment and right-of-use assets	405,208	470,292	-	-
Impairment loss on other non-current assets	50,833	-	-	-
Write-off withholding tax deducted at source	110,504	8,815	1,181	670
Loss from write-off goodwill	-	155,417	-	-
Loss on exchange	18,174	-	-	22,056
Loss on change in value of listed equity investment at fair value through profit or loss (Note 13)	1,010	1,282	222	-
Write-off bad debts	9	638	-	-
Loss on disposals of equipment	3,850	835	-	-
Loss on revaluation of investment properties (Note 17)	-	-	11,456	7,313
Others	71	1,880	-	1,923
Total other expenses	<u>660,759</u>	<u>1,065,722</u>	<u>1,515,359</u>	<u>3,358,525</u>

35. Finance income

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income on debt instruments measured at amortised cost:				
Bank deposit	19,405	4,163	1,304	744
Lease receivables	19,972	405	-	-
Loans	1,354	7,713	30,018	28,546
Total	<u>40,731</u>	<u>12,281</u>	<u>31,322</u>	<u>29,290</u>

36. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expenses on:				
Bank loans, overdrafts and trust receipts and debentures	498,960	438,782	196,418	177,312
Loans from related parties	-	-	34,867	19,824
Liabilities under lease agreements	10,402	17,757	1,684	1,830
Long-term provision under service concession	3,390	1,281	-	-
Others	818	808	-	-
Total interest expenses	513,570	458,628	232,969	198,966
Bank charges	25,012	25,093	11,475	10,960
Total finance cost	<u>538,582</u>	<u>483,721</u>	<u>244,444</u>	<u>209,926</u>

37. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Salaries, wages and other employee benefits	1,433,395	1,324,943	152,393	137,219
Promotion and advertising expenses	15,260	11,843	426	120
Revenue sharing under service concession arrangement	558,326	383,846	-	-
Changes in of finished goods and work in progress	108,649	150,665	-	-
Allowance for expected credit losses	163,236	149,859	163,718	10,587
Depreciation (Note 18)	752,721	581,540	220,674	157,669
Right-of-use assets depreciation (Note 19)	87,012	120,058	19,251	19,473
Raw materials and consumables used	36,427	46,191	-	-
Amortisation expenses	105,234	105,715	5,907	5,899
Write-off withholding tax	113,382	-	1,181	-
Raw materials, equipment and cost of projects used	2,661,822	2,562,182	-	-
Purchase finished goods for sales	650,938	965,304	492,539	-
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	1,493,000	2,900,000
Loss on impairment of equipment and right-of-use assets	405,208	470,292	-	-
Loss from write-off goodwill	-	155,417	-	-
Loss on long-term provision	71,100	426,563	9,500	426,563

38. Income tax

38.1 Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	132,670	60,985	3,350	3,446
Adjustment in respect of current income tax of previous year	2,262	(101)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	13,904	421,104	8,215	4,424
Income tax expense reported in profit or loss	148,836	481,988	11,565	7,870

38.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 were as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to actuarial gain (loss)	831	(122)	-	(97)
Total	831	(122)	-	(97)

38.3 The reconciliation between accounting profit (loss) and income tax expenses was shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit (loss) before tax	<u>(495,336)</u>	<u>(850,672)</u>	<u>642,195</u>	<u>(3,468,333)</u>
Applicable tax rate	8% - 20%	8% - 30%	8% - 20%	8% - 20%
Accounting loss before tax multiplied by applicable tax rate	(102,144)	(174,495)	(115,052)	(698,273)
Adjustment in respect of current income tax of previous year	2,262	(101)	-	-
Effects of:				
Utilisation of tax loss carry forward	(9,624)	(2,420)	-	-
Non-deductible expenses	28,453	13,377	2,427	2,244
Additional expense deductions allowed	(4,994)	(1,367)	(28)	(14)
Income not subject to tax	(10)	(2,171)	(248,133)	(9,568)
Non-deductible taxable income	-	(162)	-	-
Adjustment of taxable income from exchange rate	22,830	(3,772)	-	-
Write-off of deferred tax assets	-	330,427	-	-
Others	2,142	(323)	-	-
Total	38,797	333,589	(245,734)	(7,338)
Deferred tax assets not recognised	170,336	268,569	335,634	670,958
Additional recognition of deferred tax assets from tax losses	41,941	46,906	36,717	42,523
Decrease in deferred tax assets not recognised	(2,356)	7,519	-	-
Income tax expenses reported in profit or loss	<u>148,836</u>	<u>481,987</u>	<u>11,565</u>	<u>7,870</u>

38.4 The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit losses	27,954	26,921	-	-
Allowance for diminution in value of inventories	19,223	19,589	-	-
Allowance for expected credit losses of other current financial assets	-	134	-	134
Allowance for expected credit losses of other non-current financial assets	321	564	-	-
Allowance for asset impairment	15,833	25,719	-	-
Accumulated depreciation - Equipment	36,073	51,147	36	41
Provision for long-term employee benefits	55,207	53,827	8,874	8,874
Accrued vacation leave	978	1,064	120	120
Unused tax loss	131,472	145,500	-	-
Unrealised loss from revaluation of trading investments	5,365	5,217	3,108	3,108
Provision for maintenance warranties	11,632	14,834	-	76
Right-of-use assets	1,518	1,568	171	171
Others	74,349	39,148	528	608
Total	379,925	385,232	12,837	13,132
Deferred tax liabilities				
Accumulated depreciation - Equipment for project	13,346	4,692	13,345	4,692
Accumulated amortisation - License	3,082	3,978	-	-
Accumulated amortisation - Intangible assets	113,064	110,831	-	-
Surplus on revaluation of land	94,554	94,554	29,581	29,581
Lease liabilities	19,237	21,615	-	-
Others	3,044	3,194	1,826	2,559
Total	246,327	238,864	44,752	36,832
Deferred tax - net	133,598	146,368	(31,915)	(23,700)

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets	311,511	328,795	-	-
Deferred tax liabilities	(177,913)	(182,427)	(31,915)	(23,700)
Deferred tax - net	<u>133,598</u>	<u>146,368</u>	<u>(31,915)</u>	<u>(23,700)</u>

38.5 As at 31 December 2023, the Group had deductible temporary differences and unused tax losses totaling Baht 4,533 million and Separate financial statements: Baht 7,204 million (2022: Baht 5,510 million and Myanmar Kyat 15 million and Separate financial statements: Baht 5,385 million)), on which deferred tax assets have not been recognised which are summarised as below.

(Unit: Million)

	Consolidated financial statements			
	2023		2022	
	(Baht)	(Myanmar Kyat)	(Baht)	(Myanmar Kyat)
Unused tax losses				
31 December 2023	-	-	878	-
31 December 2024	627	-	637	15
31 December 2025	436	-	574	-
31 December 2026	1,050	-	1,088	-
31 December 2027	801	-	553	-
31 December 2028	597	-	-	-
Deductible temporary differences	<u>1,022</u>	<u>-</u>	<u>1,780</u>	<u>-</u>
	<u>4,533</u>	<u>-</u>	<u>5,510</u>	<u>15</u>

The Group believes that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2023, Samart Digital Public Co., Ltd., a subsidiary company, and its subsidiaries have deferred tax assets of Baht 18 million (2022: Baht 18 million) in relation to tax loss carried forward deductible against future profit in tax calculation if the subsidiary companies have sufficient profit.

The subsidiary company has signed for a new business under the expertise and experience of the subsidiary company during the year of 2022 and it is able to commence business operations immediately thereafter. The subsidiary company expects to gain sufficient profit to utilize tax loss carried forward. It therefore believes that it will benefit from the recorded deferred tax assets, considering the current situation. Although the subsidiary company has evaluated and exercised its best estimate, there is still uncertainty about the changing situation, which is normal for future events that have not yet occurred.

In addition, as at 31 December 2023, the Samart Digital Group have deductible temporary differences Baht 3,089 million (2022: Baht 2,796 million) and unused tax losses which will expire in 2024 - 2028 totaling Baht 1,723 million (2022: unused tax losses which will expire in 2023 - 2027 totaling Baht 2,195 million), on which deferred tax assets have not been recognised as the Samart Digital Group believe that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

39. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued according to the portion of warrant exercise.

The Company did not compute the diluted earnings (loss) per share for the year ended 31 December 2023 and 2022 since their exercise price was higher than the fair value of the ordinary shares.

40. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary and its employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited and Bank of Ayudhya Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 53 million (2022: Baht 50 million) (Separate financial statements: Baht 7.2 million (2022: Baht 6.5 million)) were recognised as expenses.

41. Promotional privileges

Subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges are as follows:

Details	Smarterware Co., Ltd.
1. Certificate No.	59-1099-1-00-2-0
2. Promotional privileges for	Software development
3. The significant privileges are:	
3.1 Exemption from corporate income tax on net income from promoted operations commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	For a period of 5 years commencing until 30 March 2023
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted
4. Date of first earning operating income	31 March 2018

Revenues of subsidiary company for the years ended 31 December 2023 and 2022 are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Non-BOI promoted	43,020	47,281
Total service income	<u>43,020</u>	<u>47,281</u>

42. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organized into business units based on its operation and has three reportable segments as follows:

- | | |
|----------------------------------|---|
| 1. ICT Solution and Service | Provide solutions and services in information and communication technology and Digital Solutions including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors. |
| 2. Digital | Provide integrated businesses in digital network, solution and content. |
| 3. Utilities and Transportations | Provide air traffic control services and electricity supply in Cambodia, and also provide construction design and installation services of electrical power transmission systems. |

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group financing activities (including finance costs and finance income) and income taxes is managed on a Group basis and is not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is set out in Note 6 to consolidated financial statement.

The following tables present revenue and profit and total assets/total liabilities information regarding the Group's operating segments for the year ended 31 December 2023 and 2022, respectively.

(Unit: Million Baht)

	For the years ended 31 December									
	ICT Solution and Service		Digital		Utilities and Transportations		Adjustments and eliminations		Consolidated	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues from sales, contract work and service										
- Third parties	3,916	4,484	1,851	602	4,368	3,929	-	-	10,135	9,015
- Related parties	573	463	47	30	685	330	(1,301)	(818)	4	5
Total revenues from sales, contract work and service	4,489	4,947	1,898	632	5,053	4,259	(1,301)	(818)	10,139	9,020
Cost of sales, contract work and services	3,888	4,315	1,922	662	3,870	3,313	(1,321)	(780)	8,359	7,510
Gross profit (loss)	601	632	(24)	(30)	1,183	946	20	(38)	1,780	1,510
Unallocated income (expenses):										
Other income									158	398
Selling and distribution expenses									(215)	(223)
Administrative expenses									(907)	(899)
Loss on impairment loss on financial assets									(152)	(99)
Other expenses									(661)	(1,066)
Finance income									41	12
Finance cost									(539)	(484)
Income tax expenses									(149)	(482)
Non-controlling interests of the subsidiaries									254	378
Loss for the year									(390)	(955)

(Unit: Million Baht)

		As at 31 December									
		ICT Solution and Service		Digital		Utilities and Transportations		Adjustments and eliminations		Consolidated	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets											
Trade receivables		2,072	1,271	1,100	55	1,853	1,399	(1,997)	(559)	3,028	2,166
Inventories		118	27	99	221	317	370	-	(3)	534	615
Investment properties		-	-	-	-	85	85	-	-	85	85
Property, plant and equipment		1,177	1,300	2,275	2,672	2,058	2,262	(59)	29	5,451	6,263
Right-of-use assets		121	172	2	56	100	127	-	(3)	223	352
Intangible assets		65	37	53	65	1,101	984	(31)	(36)	1,188	1,050
Others		4,101	4,659	1,067	1,178	9,833	10,770	(6,401)	(7,802)	8,600	8,805
Segment total assets		<u>7,654</u>	<u>7,466</u>	<u>4,596</u>	<u>4,247</u>	<u>15,347</u>	<u>15,997</u>	<u>(8,488)</u>	<u>(8,374)</u>	<u>19,109</u>	<u>19,336</u>
Segment total liabilities		<u>4,071</u>	<u>3,862</u>	<u>4,404</u>	<u>4,187</u>	<u>7,493</u>	<u>10,454</u>	<u>(3,181)</u>	<u>(3,020)</u>	<u>12,787</u>	<u>15,483</u>
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets		(270)	65	(515)	116	(873)	533	308	(180)	(1,350)	534

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Revenue from external customers		
Thailand	8,417,051	7,703,886
Cambodia	1,669,380	1,232,703
Others	52,941	83,908
Total	<u>10,139,372</u>	<u>9,020,497</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	6,967,698	8,169,942
Cambodia	1,111,404	1,259,570
Total	<u>8,079,102</u>	<u>9,429,512</u>

Major customers

For the year 2023, the Group had revenue from three major customers totaling of Baht 4,749 million, mainly arising from sales by ICT Solution and Service segment, Digital segment and Utilities and Transportations segment (2022: revenue from three major customers totaling of Baht 3,293 million, mainly arising from sales by ICT Solution and Service segment, Digital segment and Utilities and Transportations).

43. Commitments and contingent liabilities

The Group has commitments and contingent liabilities other than those disclosed in other notes as follows:

43.1 Capital commitments

43.1.1 As at 31 December 2023, Samart Comtech Co., Ltd., a subsidiary company, had capital commitments totally of approximately USD 6 million (2022: Samart Digital Public Co., Ltd., and Samart Comtech Co., Ltd., the subsidiary companies, had capital commitments totally of approximately USD 1.4 million or equivalent to Baht 49 million and Baht 10 million) regarding the purchase of equipment for Digital Trunked Radio System (DTRS) services.

43.1.2 As at 31 December 2023, Thai Base Station Co., Ltd., a subsidiary company, had capital commitments of approximately Baht 91 million (2022: Baht 92 million), regarding the purchases of equipment and installing for telecommunication tower service for Tower-Co project.

43.1.3 As at 31 December 2023, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, had capital commitments of approximately USD 0.02 million or equivalent to Baht 0.6 million (2022: USD 0.06 million or equivalent to Baht 2 million), regarding the additionally invest in project assets as condition stipulated in the extend agreement.

43.2 Leases commitments

As at 31 December 2023, the Group has future lease payments required under short-term leases and leases of low-value assets as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Within 1 year	1,006	2,472	132	144
Total	<u>1,006</u>	<u>2,472</u>	<u>132</u>	<u>144</u>

43.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	<u>Currency</u>	<u>Amount (Million)</u>	
		<u>2023</u>	<u>2022</u>
The local subsidiary companies	Baht	130	130
The overseas subsidiary companies	USD	3	3

43.4 Guarantees

43.4.1 Bank guarantees

There were outstanding bank guarantees issued by the banks on behalf of the Group, in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Baht				
Performance guarantees	4,397	4,157	574	573
Guarantee electricity use and others	472	958	2	1
Yen				
Performance guarantees	26	26	-	-
Euro				
Performance guarantees	1	1	-	-
Swiss franc				
Performance guarantees	3	1	-	-
US Dollar				
Performance guarantees	8	4	-	-
Chinese Yuan				
Performance guarantees	9	2	-	-

43.4.2 Related parties guarantees

Generally, these guarantees are effective for guarantor as long as the underlying obligations have not been discharged by the guaranteed party. Guarantee fees are charged by the Group. Related parties guarantees are summarised below.

- a) The Company has contingent liabilities in respect of the guarantees of subsidiaries' loans and credit facilities provided to banks and financial institutions as follows:

(Unit: Million)

	Guaranteed facilities	
	<u>2023</u>	<u>2022</u>
Baht		
Teda Co., Ltd.	7,401	5,459
Transec Power Services Co., Ltd.	1,625	1,625
Vision and Security System Co., Ltd.	1,213	968
The Samart Engineering Co., Ltd.	87	87
Samart U-Trans Co., Ltd.	133	133
Samart Aviation Solutions Public Co., Ltd.	18	18
Samart RadiTech Co., Ltd.	40	40
Samart Digital Public Co., Ltd.	393	393
	<u>10,910</u>	<u>8,723</u>
US Dollar		
Teda Co., Ltd.	23	8
Vision and Security System Co., Ltd.	2	-
	<u>25</u>	<u>8</u>

- b) Samart Digital Public Co., Ltd., a subsidiary company, has contingent liabilities in respect of the guarantees of subsidiaries' credit facilities provided to banks as follows:

(Unit: Million Baht)

	Guaranteed facilities	
	<u>2023</u>	<u>2022</u>
I-Sport Co., Ltd.	10	10

- c) As at 31 December 2023, Samart Telcoms Public Co., Ltd., a subsidiary company, was guarantor of credit facilities and rental of equipment of its subsidiary companies from banks and a leasing company amounting to Baht 4,596 million (2022: Baht 4,903 million).

- d) As at 31 December 2023, the Company has credit bank guarantee facilities of Baht 1,000 million (2022: Baht 1,000 million) by the banks and has allowed Samart U-Trans Co., Ltd., full access to the credit facilities. The Samart Engineering Co., Ltd., a subsidiary company, is also allowed to draw down amounts of Baht 150 million (2022: Baht 150 million), from the credit facilities.

43.5 Other commitments

- a) The Company has entered into the Contract to build, cooperate and transfer an air traffic control system (“BCT Contract”) with the Royal Government of the Kingdom of Cambodia. Under this agreement, the Company has had to establish a limited liability company under the laws of the Kingdom of Cambodia to be responsible for development and sole operation of the civil air traffic control and navigation system of Cambodia for a period of 15 years with an option to extend for another 7 years in consideration of The State Secretariat of Civil Aviation of Cambodia (“SSCA”) granting the air traffic license to the Company. On 18 May 2001, the Company entered into the assignment of “BCT Contract” with Cambodia Air Traffic Services Co., Ltd., a subsidiary company, to transfer of all the Company’s rights and obligations under the “BCT Contract” to that subsidiary company pursuant to Article 2.2 of “BCT Contract” without charge. In addition, the subsidiary has continuously requested to extend the concession agreement several times. Until the latest, on 18 August 2022, the subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period for another 10 years which will expire in the year 2051, whereby the subsidiary company has to additionally invest in project assets as condition stipulated in the extend agreement.

Under the agreement, the subsidiary company is to pay remuneration to the Royal Government of the Kingdom of Cambodia in proportion to its annual income and is obliged to comply with conditions, including the condition that the ownership of the civil air traffic control and navigation system and all equipment, which currently are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, is to be transferred to the Royal Government of the Kingdom of Cambodia at the end of concession period, without charge.

- b) Samart U-Trans Co., Ltd., a subsidiary company, entered into purchase and installment contract with various local and foreign companies. The subsidiary company obligated to comply with certain condition and to make the following payments for equipment and services as below.

Currency	Amount (Million)	
	2023	2022
Euro	2	3
Baht	-	7

- c) As at 31 December 2023, Teda Co., Ltd. and Transec Power Services Co., Ltd., the subsidiary companies, entered into general contractors and equipment and service purchase agreements with various companies in order to operate their construction of electrical stations and installation of electrical systems business. The subsidiary companies are obligated to comply with certain conditions and to make the payments for equipment and services of Baht 1,902 million (2022: Baht 1,104 million).
- d) As at 31 December 2023, Vision and Security System Co., Ltd., a subsidiary company, entered into general contractors and equipment and service purchase agreements with various companies in order to maintain and install their construction of security systems. The subsidiary company is obligated to comply with certain conditions and to make the payments for equipment and services totaling of Baht 21 million (2022: Baht 49 million).
- e) As at 31 December 2023, the Group has other outstanding commitments from service agreements with various companies totaling approximately Baht 56 million (2022: Baht 51 million). These commitments mainly related to management, strategic planning, and other business operations consultant services between 1 and 10 years. The Group has to pay a monthly service fee at the rate stipulated in the agreements.
- f) As at 31 December 2022, Samart Aviation Solutions Public Co., Ltd., a subsidiary company, was committed to pay premium to a company in accordance with long-term loan agreement amounting to USD 0.1 million, or equivalent to Baht 3.6 million (2023: Nil).

Other commitments of Samart Telcoms Public Co., Ltd.'s group

- g) Samart Infonet Co., Ltd., a subsidiary company, entered into a contract with True International Gateway Co., Ltd. related to the provision of services to an international internet exchange center. The subsidiary company is obligated to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.1 million per month (2022: Baht 0.1 million per month).
- h) Portalnet Co., Ltd., a subsidiary company, entered into a contract to use computer software application services with a company. The subsidiary is obligated to comply with the conditions stipulated in the contract and subsidiary company has future minimum lease payments as follows:

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	
	<u>2023</u>	<u>2022</u>
Payable:		
In up to 1 year	259	270
In over 1 and up to 5 years	63	313
Total	<u>322</u>	<u>583</u>

- i) Portalnet Co., Ltd., a subsidiary company, entered into purchase, equipment installation and services agreements with many companies for the installation and services for computer software applications for core business operation with Provincial Electricity Authority. As at 31 December 2023, the subsidiary is obligated to pay for equipment and service fee amounting to Baht 38 million, EUR 0.5 million, and USD 0.1 million, or equivalent to Baht 60 million (2022: Baht 73 million, EUR 1.0 million, and USD 0.2 million, or equivalent to Baht 118 million).
- j) Samart Comtech Co., Ltd., a subsidiary company, entered into purchase and equipment installation agreements with many local companies for the development of the Land Information System (Phase 2). As at 31 December 2023, the subsidiary is obligated to pay for equipment and service fee totaling approximately Baht 31 million (2022: Baht 71 million).

Other commitments of Samart Digital Public Co., Ltd.'s group

- k) On 10 March 2017, Samart Digital Public Co., Ltd., a subsidiary company, entered into an agreement to enter into a consortium with Samart Communication Services Co, Ltd. named SISC Consortium, for the purpose of entering into an alliance service agreement for Digital Trunked Radio System with CAT Telecom Public Co., Ltd. (currently, CAT Telecom Public Co., Ltd. has been merged with TOT Pubic Co., Ltd. into National Telecom Public Co., Ltd.) Samart Digital Public Co., Ltd. was appointed as the lead company of SISC Consortium and is authorised to act on behalf of SISC Consortium. The agreement is effective from the date that the agreement is signed and will terminate when SISC Consortium has fully discharged its responsibilities under the agreement. Samart Digital Public Co., Ltd. is obliged to comply with certain conditions and pay fees for the project as stated in the agreement.

Subsequently, on 24 August 2017, SISC Consortium entered into a business alliance agreement with CAT Telecom Public Co., Ltd. in order to increase its capability to provide Digital Trunked Radio System (DTRS) services. The agreement terminates on 31 July 2025.

On 2 October 2017, Samart Digital Public Co., Ltd. entered into a three-year agreement with CAT Telecom Public Co., Ltd. to resell digital trunked radio system services to end-users. The term shall be automatically extended for another one-year term, unless either party provide the other with written notice of its election not to extend on before the date of expiration. Under the terms of the agreement, Samart Digital Public Co., Ltd. is obliged to pay minimum wholesale service fees at a stipulated rate.

- l) As at 31 December 2023, Samart Digital Public Co., Ltd., a subsidiary company, has commitment approximately USD 17 million or equivalent to Baht 586 million (31 December 2022: USD 20.8 million or equivalent to Baht 723 million and Baht 83 million) relating to purchase inventory for Digital Trunked Radio System (DTRS) services.

43.6 Litigation and commercial disputes

- a) The Company had been involved in provision of financial support and installation of telecommunication network system to the 13th the Bangkok - Asian Games Organizing Committee (BAGOC) in 1997, for instance by supporting on installation design of telecommunication network system including its equipment and providing financial support at Baht 190 million. However, the Company had encountered with financial difficulties during the massive economic downturn of the country in 1997 which had long term and continuous impacts to the Company. Therefore, the Company had negotiated to cancel such financial support because the Company had waived its rights to use many benefits made under the agreements during the competition games and the Committee further provided such benefits to other sponsors already. Hence, the Company was not liable for such financial support any longer.

During the fourth quarter of 2010, BAGOC had submitted the matter in dispute to the Arbitration Institute requesting the Company to make payment of approximately Baht 332 million (Baht 190 million plus interest).

Subsequently, the Arbitration Institution completed examination of the evidence of both the Company and the Organizing Committee and on 22 August 2013 found in favour of the Company, on the grounds that the Organizing Committee and the Sports Authority of Thailand had submitted the matter in dispute more than 10 years after the dispute arose, meaning that the statute of limitations had already expired. However, on 27 November 2013, the Competition Management Committee and Sports Authority of Thailand submitted a petition to the Civil Court for the revocation of the arbitral award. On 29 August 2014, the Civil Court rescinded the Arbitration award, without ruling that the Company is obligated to make any payment to the Organizing Committee and the Sports Authority of Thailand. The Company filed an appeal on 28 November 2014, against the Civil Court's judgment with the Supreme Court. On 23 January 2015, the Organising committee and the Sports Authority of Thailand filed an appeal against the Civil Court's judgment with the Supreme Court. The Supreme Court gave its verdict on 20 September 2016 revoking the arbitration award without ruling the Company to pay any debt to the Organising Committee and the Sports Authority of Thailand.

On 23 November 2016, the Organizing Committee and the Sports Authority of Thailand lodged a request with the Arbitrator (old panel) requesting the Arbitrator to continue its consideration. On 10 February 2017, the Company filed an objection to such request of the Organizing Committee and the Sports Authority of Thailand to the Arbitrator. On 5 April 2017, the Company received a letter from the Arbitration Institution regarding the replacement of the Arbitrator who had withdrawn and the Company already appointed the Company's Arbitrator on 13 September 2017.

Subsequently, on 19 January 2018, the Arbitral Tribunal appointed a chairperson of the Arbitral Tribunal and dismissed the above claim. The Company filed an appeal against such order with the Civil Court on 16 February 2018. Subsequently, on 10 July 2018, the Civil Court issued an order dismissing the Company's appeal. The Company's legal advisor has filed an appeal of the order of the Civil Court with the Supreme Court on 8 August 2018. During the filing and appeal, and until the Supreme Court issues a final judgment on the matter, the Arbitral tribunal has suspended consideration.

Later on 11 July 2019, the Supreme Court upheld the ruling of the Civil Court. The Organizing committee and the Sports Authority of Thailand, then, declared such ruling to the Arbitral tribunal on 13 November 2019. Afterward, on 12 December 2019, the Arbitral tribunal, of black case No. 90/2553 and red case No. 67/2556, rendered an award in favor of the Organizing committee and the Sports Authority of Thailand that is the Company was obligated to make payment to the Organizing Committee and the Sports Authority of Thailand in the amount of approximately Baht 332 million plus interest on principal of Baht 190 million and the interest at the rate of 15 percent per annum calculated from 21 October 2010 until fully paid.

The legal advisor of the Company is of the opinion that such award was not rendered in compliance with Arbitration Act B.E. 2545 and therefore engaged a law firm to submit a petition to the Civil Court for the revocation of the Arbitral award on 9 March 2020.

On 14 January 2022, the Company received a civil court writ as on 23 December 2021 BAGOC filed a complaint demanding the Court to enforce the Arbitral award. The Court decided to accept such a complaint and temporarily dismiss the case from the case list in order to wait for the final judgment of the case. The legal advisor of the Company, here, is of the opinion that while waiting for such final judgment, the Company is not obliged to pay any amounts to BAGOC.

Subsequently, on 22 September 2022, the Civil Court issued an order dismissing the Company's petition to revoke the Arbitral award. On 20 February 2023, the Company has already submitted an appeal to the Supreme Court. The legal advisor of the Company expects that the court proceedings will take no less than 2 years.

As of 31 December 2023, this case is under ongoing court proceedings. Although the Company has set aside a provision in accordance with the accounting principle of conservatism, this does not affect the legal rights. In addition, setting aside a provision does not mean that the Company waives its right under the judiciary proceedings in the future since the Company still believes in its legal standing as well as having an interest in going through all judiciary processes until the end. The legal advisor and the management of the Company continue to believe that, based on the Company's defense, the Supreme Court's judgement will be in favour of the Company and the Company will eventually win the case. Thus, the Company shall not be liable to pay for such claim to the Organizing Committee and the Sports Authority of Thailand.

- b) On 11 September 2006, the Company, as a member of SPS Consortium (60 percent of work proportion) ("SPS") entered into a service agreement with the state enterprise for full service waste management in area of Suvarnabhumi Airport for a term of 10 years from 15 September 2006 to 14 September 2016. SPS has complied with the conditions of the Environmental Impact Assessment (EIA) and the report on request for changes of environmental measures of Suvarnabhumi Airport in 2012 that was approved by EIA and applicable laws by regularly disposing of garbage in the Suvarnabhumi Airport area throughout the agreement period.

Under the agreement, SPS was required to deliver an incinerator to the state enterprise upon the end of a period of 3 years and 1 month. However, the amount of waste was substantially less than anticipated amount. Since the state enterprise was unable to require that all operators in the airport send waste to SPS, SPS has reported this a problem to the state enterprise and sent research reports from 3 educational institutions. Based on the impact analysis of installation of an incinerator, it was found that, based on the type and amount of waste that SPS has managed for almost 3 years, there should not be an incinerator in the area of Suvarnabhumi Airport because it will cause air pollution that affects the environment and may cause carcinogenic substances that affect the health of passengers, employees, operators and people around Suvarnabhumi Airport. Therefore, it is advisable to manage waste by sorting, landfilling, and disposing of the waste outside and it is not suitable to use the fermentation method. Therefore, the state enterprise has submitted a request for an additional change of environmental measures for the Suvarnabhumi Airport project in 2012 to the EIA Committee of the Office of Natural Resources and Environmental Policy and Planning. The EIA Committee considered changing the waste management methods in the Suvarnabhumi Airport area from disposing of sorted waste and using an incinerator to using sanitary landfill or other suitable methods instead including anaerobic fermentation method to obtain biogas used as animal feed. The EIA has considered and approved the methods proposed by state enterprise. SPS therefore manages waste in accordance with the methods approved by EIA until the end of the agreement term.

After the end of the service agreement, SPS has not received repayments from the state enterprise from the 44th-120th installments (from 15 April 2010 to 14 September 2016) totaling Baht 194 million (included VAT), accounting for Baht 116 million in proportion to the Company's work. SPS has continually sent reminders to the state enterprise for the unpaid balances. the period of the agreement, the state enterprise had considered amending the service agreement because the state enterprise agrees to change the waste management method as recommended by EIA and to waive the fines on the delay of delivering the incinerator. Later, in 2012, the state enterprise submitted a letter to the Office of the Attorney General to request for an opinion about the amendment of the service agreement to change the waste management method as recommended by EIA and to reduce service fee as negotiated with SPS as the state enterprise does not lose benefits from the fee reduction. In addition, waiver of the fines was requested by the state enterprise. The Attorney General was of the opinion that the authority to amend the agreement is at the discretion of the Director of the state enterprise and the authority to consider approving the reduction or waiver of the fines is at the discretion of the Committee of state enterprise. However, since there are changes of the Chairman of Procurement Committee, General Director and the Board of Directors of the state enterprises for several times, the consideration of the matter was discontinued and not completed. Even though the agreement had ended, the amendment of the agreement was not finalized.

The management and legal advisor of the Company are of the opinion that SPS has complied with the conditions stipulated in the solid waste management agreement and with the law in all respects, and the state enterprise was the party in breach of the agreement. Therefore, a law firm was engaged to file a lawsuit against the state enterprise with the Central Administrative Court by SPS on 23 November 2016 demanding that the state enterprise, settle outstanding service fees under the 44th - 120th installments, totaling Baht 194 million with interest thereon, totaling Baht 238 million. Moreover, the state enterprise is required to settle two letters of guarantee issued by bank on behalf of SPS to the state enterprise as performance bond, totaling Baht 50 million. Subsequently, the Court has accepted to consider only the outstanding service fees for the 60th - 120th installments, totaling Baht 158 million, as they are in the 5-year period of the statute of limitation. On 15 August 2017, the state enterprise submitted testimony and countersued via the Central Administrative Court for damages and fines totaling Baht 1,038 million and requested the bank to make payment in accordance with the letters of guarantee. On 9 August 2021, the bank made payment to the state enterprise.

On 23 March 2022, subsequently, the SPS Consortium submitted a petition to the court requesting an amendment to the plaint, asking the money and interest totaling 69 million Baht back from that state enterprise, which it received from the guaranteeing bank. However, the Company recorded related transactions for accounting purposes as described in Note 8 d) to the consolidated financial statements that this will not affect this case and does not represent a waiver of the SPS's legal rights to reclaim service fee and the amount paid under the letters of guarantee and will not affect other cases under consideration of the Central Administrative Court.

With respect to fines and damages for which the state enterprise submitted testimony and countersued via the Central Administrative Court, the Company's legal advisor was of the opinion that SPS shall not be liable to the fines stipulated in the agreement as building an incinerator and anaerobic fermentation method are against the law according to the EIA's conditions. In addition, SPS has never sent an unconditional consent letter for the fines and has always argued against such matter. Moreover, the state enterprise has yet to proceed with the termination of the agreement until the amount of fines was over 10 percent of service fee's limit under the agreement, which was considered not in compliance with the law. In case the Court ordered SPS to pay the fines in accordance with the agreement to the state enterprise, the Court would exercise its authority to reduce the fines pursuant to Section 383 Paragraph 1 of the Civil and Commercial Code and Note 31.2 the Airports of Thailand's measurement of Inventory Administration B.E.2553. According to the Supreme Court judgment Aor.869/2560, the Court reduced the amount of the fines to 10 percent of the service fee's limit. The amount of the service fees under the agreement that SPS group has actually received throughout the agreement period is Baht 288 million. Therefore, 10 percent of fines shall not exceed Baht 29 million. The Company will be responsible for the fines in proportion to its work, which is 60 percent, not exceeding Baht 17 million. Thus, the Company recorded these damages based on the proportion of its work in the account of Baht 40 million in the year 2021 in accordance with the letters of guarantee issued by the bank on behalf of SPS to the state enterprise. The damages recorded by the Company is greater than the amount of the fines at ten percent of the service fee's limit. The Company believes that this is adequate in the current circumstances.

In addition, The Company's legal advisor is of the opinion that the court proceedings will take no less than 2 years and believes that the Court will finally rule in favor of the Company. Thus, SPS Group shall not be liable to pay for the fines and damages claimed by the state enterprise. The state enterprise was ordered to pay the service fees under the agreement and return the amount paid under the letter of guarantee to SPS since SPS had fully complied with the agreement under dispute, the environmental impact assessment (EIA) and relevant laws.

At present, the case is under consideration of the Central Administrative Court.

- c) On 22 February 2017, TOT Public Co., Ltd. (currently, CAT Telecom Public Co., Ltd.) has been merged with TOT Public Co., Ltd. into National Telecom Public Co., Ltd.) submitted a letter to Office of The National Broadcasting and Telecommunications Commission (the NBTC) to notify the NBTC of the cancellation of the cooperation under the Memorandum of Understanding with respect to 3G mobile network service trial project prior to notifying of such cancellation to I-Mobile Plus Company Limited, a subsidiary company. On 1 March 2017, the subsidiary company submitted a letter to TOT Public Co., Ltd. and The NBTC to notify of the termination of i-mobile 3GX service because the 3GX cellular phone system was frequently disrupted and TOT Public Co., Ltd. was unable to permanently fix the problem. In addition, TOT Public Co., Ltd. had not expanded its base station following its business plan in order to expand the coverage across the country. On 22 June 2017, the NBTC submitted to the subsidiary a letter regarding an approval of the termination of the Telecommunications Business License type 1 and agreed with the subsidiary company's recovery plan for the users of i-mobile 3GX. Subsequently, the subsidiary submitted a letter notifying the NBTC that it had mutually agreed with TOT Public Company Limited that the date of discontinuing the i-mobile 3GX service would be 18 July 2017.

Later, the subsidiary company has been notified by TOT Public Co., Ltd. demanding the payment for Home Location Register (HLR) amounting to Baht 19 million. However, the management and the legal department of the subsidiary company were of the opinion that the subsidiary company was not liable to such payment because the data storage on HLR did not reach the quota specified in the agreement. The subsidiary company filed a plaint for compensation with TOT Public Co., Ltd. to the Civil Court since October 2018 amounting to Baht 1,941 million. Subsequently, on 9 March 2023, the Court of First Instance ruled that TOT Public Company Limited (currently a National Telecommunications Public Company Limited) made a payment to the subsidiary in the amount of Baht 748 million plus interest at the rate of 7.5% per annum of such principal counting from the date of filing (filing on 4 October 2018) until 10 April 2021 and a rate of 5% per annum, which is the rate under the Civil and Commercial Code from 11 April 2021 onwards until payment is made to the subsidiary. On 5 September 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal.

In addition, TOT Public Co., Ltd. submitted a letter to the subsidiary company demanding the payment for accrued service fee totaling Baht 137 million (including, Home Location Register, mentioned above). Subsequently, the subsidiary company submitted a letter requesting to offset the service fee with prepaid bulk or package that the subsidiary company had purchased from TOT Public Co., Ltd. with the balance of Baht 70 million.

Subsequently, during 2020, TOT Public Co., Ltd. filed a suit against Samart Digital Public Company Limited and the subsidiary (Samart Digital Group) with the Central Administrative Court for breach of an administrative contract with an amount in dispute of Baht 212 million (including interest thereon). The Central Administrative Court issued an order not to accept the specific complaint regarding the service fee payment for preparing and storing data in the Home Location Register (HLR) from April 2011 to October 2014 with interest and VAT. Subsequently, in 2021, the Supreme Administrative Court overturned the order of the Central Administrative Court to accept the complaint. On 30 April 2021, Samart Digital Group filed the amended complaint with the Central Administrative Court. Subsequently, on 12 November 2021, the Administrative Court issued a letter notifying of an order to transfer the case to the Civil Court. On 14 December 2023, the Civil Court issued an order that both Samart Digital Group collectively pay Baht 137 million, along with an interest rate of 5% per annum, starting from 20 December 2017, until the complete settlement to TOT Public Company Limited (now known as National Telecom Public Company Limited). As of 31 December 2023, the subsidiary has fully recorded the liability (under provision and other payable). Subsequently, on 9 February 2024, the subsidiary sought an extension for the appeal period, which the court granted, extending the appeal deadline until 14 March 2024.

The legal advisor of Samart Digital Group is of the opinion that TOT Public Company Limited is in breach of the contract, resulting in substantial business damages to both Samart Digital Group. For the case filed by the subsidiary with the Civil Court, the Civil Court rules in favor of the subsidiary. The subsidiary will prevail at the conclusion of the case. Therefore, the management of Samart Digital Group maintains confidence that Samart Digital Group will not incur significant losses in connection with these two cases. However, as of now, the outcomes of these cases remain pending and are contingent upon future judicial procedures.

Samart Digital Group has exercised prudence in recognising the aforementioned debt in accordance with accounting standards. This recognition does not alter the nature of the case and should not be construed as a waiver of legal rights. Additionally, the recording of this debt does not imply that the Company and its subsidiary will abstain from asserting their rights through the legal justice process in the future. Samart Digital Group maintain confidence in their legal position and are committed to pursuing the legal process until its conclusion.

- d) On 23 January 2019, Samart Telcoms Public Company Limited, the subsidiary company, as a member of the STSL Consortium Group (“the Consortium”), entered into an agreement with a state enterprise for the purchase and installation of an information system and the development of the core business information system, as described in Note 8 c) to the consolidated financial statements. The agreement is for a period of 730 days from the date of the agreement. Subsequently, both parties agreed to extend the agreement period for 7 months due to the COVID-19 pandemic, resulting in the agreement expiring on 22 August 2021. The Consortium fulfilled the agreement and delivered the first part of the work in its entirety. However, the state enterprise declined to inspect and pay for the services of this part. They unilaterally made changes to the delivery terms outside of the agreement, with which the Consortium attempted to comply. Despite multiple delivery and payment requests, the state enterprise persistently refused to accept the work, causing delays in other parts of the agreement and impeding progress in the contractual work.

On 24 August 2021, the state enterprise notified of termination of the agreement with the Consortium and demanded the seizure of the collateral, which was a letter of guarantee issued by bank of Baht 20 million. As a result, the subsidiary company recorded a loss from the project termination of Baht 20 million. The subsidiary company believes that this amount is sufficient to address the current situation. On 25 August 2021, the Consortium sent a letter objecting the termination by the state enterprise as unfair. They highlighted that the termination occurred due to the escalating severity of the COVID-19 pandemic situation. They emphasised that the government has a policy to extend agreements without imposing penalties on private entities affected by such situations, asserting that the termination was an unlawful exercise of rights and contrary to the terms of the agreement. Additionally, the Consortium demanded full payment for the work already performed and compensation for the termination of the agreement.

On 7 December 2021, the Consortium engaged a law firm to file a lawsuit against the state enterprise with the Civil Court, seeking payment for all completed work, damages resulting from the agreement termination, and the return of the collateral with interest, totaling Baht 874.8 million, along with interest at a rate of 5% per annum from the filing date until full payment. Subsequently, on 25 July 2023, the state enterprise counter-sued in the Civil Court, claiming compensation and fines totaling Baht 700.4 million, with interest at a rate of 5% per annum from the filing date until full payment. On 16 October 2023, the Civil Court ordered both cases to be considered together because all parties are same litigant and related to each other and most of the evidence are the same which will be convenient for the consider cases.

The management and legal advisor of the subsidiary company are of the opinion that the termination of the agreement is based on unfair and unreasonable grounds provided. They assert that the delay arose from factors beyond the Consortium's control, for which they are not at fault. They believe that the Civil Court will ultimately rule in favour of the Consortium. The Consortium shall not be held liable to pay for the fines and damages claimed by the state enterprise. They anticipate that the state enterprise would be ordered to pay the service fee as stipulated in the agreement, and return the amount paid under the letter of guarantee to the Consortium, given that the Consortium had complied with the agreement under dispute. Therefore, as at 31 December 2023, the subsidiary company has not recorded additional provision in the accounts.

At present, the case is under consideration by the Civil Court.

44. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)		
	Consolidated financial statements		
	31 December 2023		
	Level 1	Level 2	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity investments	3	-	3
Land	-	597	597
Investment properties	-	85	85

	(Unit: Million Baht)		
	Consolidated financial statements		
	31 December 2022		
	Level 1	Level 2	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity investments	4	-	4
Land	-	597	597
Investment properties	-	85	85

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	1	-	-	1
Land	-	236	-	236
Investment properties	-	-	79	79

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	2	-	-	2
Land	-	236	-	236
Investment properties	-	-	91	91

45. Financial instruments

45.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans, investments, bank overdrafts, debentures, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, contract assets, loans, deposits with banks and financial institutions, and other financial instruments. The maximum exposure to credit risk is limited to the carrying amount as stated in the statement of financial position.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. For trade receivables from projects that have different credit risk characteristics, expected credit losses are assessed on individual basis. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off according to the Group's policy determining the appropriateness.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to foreign currency risk arises primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2023 and 2022, the Group has financial assets and liabilities denominated in foreign currency are summarised below.

Foreign currency	Consolidate		Separate		Exchange rate as at	
	financial statement		financial statement		31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(million)	(million)	(million)	(million)	(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	7	4	2	7	34.0590	34.3913
CNY	1	2	-	-	4.7395	4.8953
Financial liabilities						
US dollar	15	17	22	37	34.3876	34.7335
CNY	1	2	-	-	4.8747	5.0375

As at 31 December 2023 and 2022, Samart Aviation Solutions Public Co., Ltd., a subsidiary company, whose functional currency is USD, has the following significant financial assets and liabilities denominated in foreign currencies (currencies other than US Dollars) as summarised below.

Foreign currency	Consolidated		Exchange rate as at	
	financial statements		31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Financial assets				
Baht	47	32	0.0294	0.0291
Financial liabilities				
Baht	20	15	0.0291	0.0288

Forward exchange contracts outstanding as at 31 December 2023 and 2022, are summarised below.

As at 31 December 2023				
Foreign currency	Bought amount		Contractual exchange rate of bought forward	Contractual maturity date
	Consolidate financial statement	Separate financial statement		
	(Million)	(Million)	(USD per 1 foreign currency unit)	
US dollar	5.0	-	33.74 - 36.58	February - July 2024

As at 31 December 2022				
Foreign currency	Bought amount		Contractual exchange rate of bought forward	Contractual maturity date
	Consolidate financial statement	Separate financial statement		
	(Million)	(Million)	(USD per 1 foreign currency unit)	
US dollar	9.3	5.6	34.20 - 37.32	January - June 2023

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follows:

(Units: Million Baht)

	Consolidated financial statements									
	Fixed interest rates				Floating		Non-interest bearing		Total	
	Within 1 year		Over 1 - 5 years		interest rate					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets										
Cash and cash equivalents	287	122	-	-	2,018	1,449	150	65	2,455	1,636
Trade and other receivables	-	-	-	-	-	-	3,006	2,469	3,006	2,469
Accrued income	-	-	-	-	-	-	3,183	2,966	3,183	2,966
Short-term loans	21	10	-	-	-	-	-	-	21	10
Deposits at bank with restrictions	103	343	-	-	-	-	-	-	103	343
Other long-term receivables - net of current portion	-	-	-	-	-	-	-	120	-	120
Other financial assets	-	21	-	-	-	-	36	106	36	127
Total	411	496	-	-	2,018	1,449	6,375	5,726	8,804	7,671
Financial liabilities										
Short-term loans from financial institutions	3	3	-	-	2,403	3,138	-	-	2,406	3,141
Trade and other payables	-	-	-	-	-	-	1,886	2,062	1,886	2,062
Short-term loans from unrelated parties	-	-	-	-	10	13	-	-	10	13
Debentures	-	-	1,672	1,669	-	-	-	-	1,672	1,669
Convertible debenture	-	-	22	-	-	-	-	-	22	-
Long-term loans from financial institutions	-	-	-	-	2,962	5,181	-	-	2,962	5,181
Other financial liabilities	-	-	-	-	-	-	66	58	66	58
Total	3	3	1,694	1,669	5,375	8,332	1,952	2,120	9,024	12,124

(Units: Million Baht)

	Separate financial statements							
	Fixed interest rates		Floating		Non-interest bearing		Total	
	Over 1 - 5 years		interest rate					
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Financial assets								
Cash and cash equivalents	-	-	518	151	1	1	519	152
Trade and other receivables	-	-	-	-	1,012	753	1,012	753
Accrued income	-	-	-	-	101	105	101	105
Short-term loans	-	-	188	373	-	-	188	373
Other long-term receivables - net of current portion	-	-	-	-	-	120	-	120
Long-term loan to subsidiary company	-	319	-	-	-	-	-	319
Other financial assets	-	-	-	-	14	14	14	14
Total	<u>-</u>	<u>319</u>	<u>706</u>	<u>524</u>	<u>1,128</u>	<u>993</u>	<u>1,834</u>	<u>1,836</u>
Financial liabilities								
Short-term loans from financial institution	-	-	549	1,184	-	-	549	1,184
Trade and other payables	-	-	-	-	358	534	358	534
Short-term loans from related parties	-	-	588	942	-	-	588	942
Debentures	1,672	1,669	-	-	-	-	1,672	1,669
Long-term loans from financial institution	-	-	801	1,366	-	-	801	1,366
Other financial liabilities	-	-	-	-	13	21	13	21
Total	<u>1,672</u>	<u>1,669</u>	<u>1,938</u>	<u>3,492</u>	<u>371</u>	<u>555</u>	<u>3,981</u>	<u>5,716</u>

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit (loss) before tax to a reasonably possible change in interest rates on that portion of floating rate loan to and loan from affected as at 31 December 2023 and 2022.

Consolidated financial statements				
Currency	2023		2022	
	Increase/decrease	Increase/(decrease)	Increase/decrease	Increase/(decrease)
		in loss before tax		in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	5,380	+0.1	7,046
	-0.1	(5,380)	-0.1	(7,046)
USD	+0.1	-	+0.1	1,170
	-0.1	-	-0.1	(1,170)

Separate financial statements				
Currency	2023		2022	
	Increase/decrease	Increase/(decrease)	Increase/decrease	Increase/(decrease)
		in profit before tax		in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	(1,108)	+0.1	2,102
	-0.1	1,108	-0.1	(2,102)
USD	+0.1	(568)	+0.1	922
	-0.1	568	-0.1	(922)

The above analysis has been prepared assuming that the amounts of the floating rate loans to subsidiary companies, loans from subsidiary companies, loans from financial institutions, and derivatives and all other variables remain constant over one year. Moreover, the floating legs of these loans to subsidiary companies, loans from subsidiary companies, loans from financial institutions, and derivatives are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group has a policy to control the risk of a shortage of liquidity by maintaining an adequate level of cash and cash equivalents for the Group's operation. As at 31 December 2023, approximately 72% (2022: 70%) of the Group's debt will mature in less than one year (Separate financial statements: 42% (2022: 53%)) based on the carrying value of borrowings reflected in the financial statements. The Group has access to a sufficient variety of sources of funding to mitigate an impact of cashflow fluctuation.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	263	2,147	-	-	2,410
Trade and other payables	-	1,886	-	-	1,886
Short-term loans	10	-	-	-	10
Debentures	-	-	1,752	-	1,752
Convertible debentures	-	-	23	-	23
Lease liabilities	-	70	119	-	189
Long-term loans from financial institutions	2,048	362	757	-	3,167
Other financial liabilities	-	47	14	5	66
Total non-derivatives	2,321	4,512	2,665	5	9,503
Derivative financial instruments					
Financial liabilities - forward exchange contracts	-	5	-	-	5
Total derivative financial instruments	-	5	-	-	5

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	265	2,885	-	-	3,150
Trade and other payables	-	2,062	-	-	2,062
Short-term loans	13	-	-	-	13
Debentures	-	-	1,823	-	1,823
Convertible debentures	-	-	41	-	41
Lease liabilities	-	71	196	2	269
Long-term loans from financial institutions	2,560	1,126	1,803	-	5,489
Other financial liabilities	-	21	19	4	44
Total non-derivatives	2,838	6,165	3,882	6	12,891
Derivative financial instruments					
Financial liabilities - forward exchange contracts	-	14	-	-	14
Total derivative financial instruments	-	14	-	-	14

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2023					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	200	351	-	-	551
Trade and other payables	-	358	-	-	358
Short-term loans from related company	588	-	-	-	588
Debentures	-	-	1,752	-	1,752
Lease liabilities	-	15	23	-	38
Long-term loans from financial institutions	-	265	634	-	899
Other financial liabilities	-	-	-	13	13
Total non-derivatives	788	989	2,409	13	4,199

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	200	987	-	-	1,187
Trade and other payables	-	534	-	-	534
Short-term loans from related company	942	-	-	-	942
Debentures	-	-	1,823	-	1,823
Lease liabilities	-	14	37	-	51
Long-term loans from financial institutions	-	538	965	-	1,503
Other financial liabilities	-	-	-	12	12
Total non-derivatives	1,142	2,073	2,825	12	6,052
Derivative financial instruments					
Financial liabilities - forward exchange contracts	-	9	-	-	9
Total derivative financial instruments	-	9	-	-	9

45.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or loan to/from and debenture bear floating interest rate, their fair value is not expected to be materially different from the amount presented in the statement of financial position.

46. Capital management

The primary objective of the Group' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2023, the Group's debt-to-equity ratio was 2.02:1 (2022: 4.02:1) and the Company's was 1.46:1 (2022: 2.54:1).

47. Events after the reporting period

47.1 In June and August 2023, Samart Digital Public Company Limited, a subsidiary issued convertible debentures and offered the newly issued convertible debentures in accordance with the convertible debenture issuance agreement No. 22 - 24, leaving a balance of Baht 23 million in non-convertible debentures. These convertible debentures are set to mature on 6 June 2025. The convertible debenture holders have exercised convertible rights in January and February 2024 of Baht 8 million and Baht 6 million, respectively. The Subsidiary registered the latest paid-up share capital with the Ministry of Commerce on 20 February 2024.

In addition, the Subsidiary has offered and issued a newly convertible debentures No. 25 - 26 pursuant to the convertible debenture agreement in January and February 2024 totaling of Baht 20 million. The convertible debentures will be matured on 5 January 2027. The convertible debenture holders have exercised convertible rights in February 2024 of Baht 5, respectively. The Subsidiary registered the latest paid-up share capital with the Ministry of Commerce on 13 February 2024.

47.2 On 22 February 2024, the Board of Director's Meeting of Samart Digital Public Company Limited, a subsidiary considered to find a solution to the shareholders' equity less than 50% of paid-up capital situation and compliance with the regulations of the Stock Exchange of Thailand in the event that the subsidiary's securities will be marked with "C" (Caution) sign. In this regard, the subsidiary will propose solutions to the situation to the meeting in order to provide information to investors and related parties (Public Presentation).

47.3 On 22 February 2024, the meeting of the Samart Telcoms Public Co., Ltd., a subsidiary company's Board of Directors passed the resolution to propose to the Annual General Meeting of the shareholders for approval of the dividend payment, in respect of profit for the year 2023, of Baht 0.06 per share, or a total of Baht 37.08 million. The subsidiary Company paid an interim dividend of Baht 0.04 per share, a total of Baht 24.72 million, in September 2023, and is to pay the remaining Baht 0.02 per share, or a total of Baht 12.36 million.

48. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 22 February 2024.